



NOTICE OF PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION OF THE STATE OF ARIZONA CITIZENS CLEAN ELECTIONS COMMISSION

Location: Citizens Clean Elections Commission
1616 West Adams, Suite 110
Phoenix, Arizona 85007

Date: Thursday, March 31, 2016

Time: 9:30 a. m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Commissioners of the Citizens Clean Elections Commission and the general public that the Citizens Clean Elections Commission will hold a regular meeting, which is open to the public on March 31, 2016. This meeting will be held at 9:30 a.m., at the Citizens Clean Elections Commission, 1616 West Adams, Suite 110, Phoenix, Arizona 85007. The meeting may be available for live streaming online at www.livestream.com/cleanelections. Members of the Citizens Clean Elections Commission will attend either in person or by telephone, video, or internet conferencing.

The Commission may vote to go into executive session, which will not be open to the public, for the purpose of obtaining legal advice on any item listed on the agenda, pursuant to A.R.S. § 38-431.03 (A)(3). The Commission reserves the right at its discretion to address the agenda matters in an order different than outlined below.

The agenda for the meeting is as follows:

- I. Call to Order.
- II. Discussion and Possible Action on Commission Minutes for February 18, 2016.
- III. Discussion and Possible Action on Executive Director's Report.
- IV. Discussion and Possible Action on the 5 Year Review Report submitted to the Governor's Regulatory Review Council and Related Matters in 2015.

The Commission may choose to go into executive session on this item for consultation with its attorneys regarding pending or contemplated litigation in order to consider its positions and instruct its attorneys. A.R.S. § 38-431.03(A)(4).

- V. Discussion and Possible Action on 2016 Legislative updates including:
 - A. SB 1516, Campaign Finance Amendments.
 - B. HCR 2035, relating to repeal of the Act.

VI. Discussion and Possible Action on Voter Education Report for the Presidential Preference Election.

VII. Public Comment

This is the time for consideration of comments and suggestions from the public. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date or responding to criticism

VIII. Adjournment.

This agenda is subject to change up to 24 hours prior to the meeting. A copy of the agenda background material provided to the Commission (with the exception of material relating to possible executive sessions) is available for public inspection at the Commission's office, 1616 West Adams, Suite 110, Phoenix, Arizona 85007.

Dated this 29th day of March, 2016.

Citizens Clean Elections Commission

Thomas M. Collins, Executive Director

Any person with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Commission at (602) 364-3477. Requests should be made as early as possible to allow time to arrange accommodations.

THE STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

REPORTER'S TRANSCRIPT OF PUBLIC MEETING

Phoenix, Arizona

February 18, 2016

9:30 a.m.

***Miller Certified Reporting, LLC
PO Box 513, Litchfield Park, AZ 85340
(P) 623-975-7472 (F) 623-975-7462
www.MillerCertifiedReporting.com***

Reported By:
Angela Furniss Miller, RPR
Certified Reporter (AZ 50127)

Miller Certified Reporting, LLC

<p style="text-align: right;">2</p> <p>1 PUBLIC MEETING, BEFORE THE CITIZENS CLEAN 2 ELECTIONS COMMISSION, convened at 9:30 a.m. on February 3 18, 2016, at the State of Arizona, Clean Elections 4 Commission, 1616 W. Adams, Conference Room, Phoenix, 5 Arizona, in the presence of the following Board members: 6 Mr. Mitchell C. Laird, Chairperson 7 Mr. Thomas J. Koester 8 Mr. Mark S. Kimble 9 Mr. Damien Meyer 10 Mr. Steve Titla 11 12 OTHERS PRESENT: 13 Thomas M. Collins, Executive Director 14 Paula Thomas, Executive Officer 15 Sara Larsen, Financial Affairs Officer 16 Gina Roberts, Voter Education Manager 17 Mike Becker, Policy Director 18 Alec Shaffer, Executive Support Specialist 19 James P. Driscoll-MacEachron, AAG 20 Rivko Knox, League of Women Voters 21 Patricia Koester, Citizen 22 Mary O'Grady, Osborn Maledon 23 Brent Steffens, R&R Partners 24 25</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>	<p style="text-align: right;">3</p> <p>1 P R O C E E D I N G 2 3 CHAIRPERSON LAIRD: Now is the time and day for 4 the Clean Elections Commission meeting of Thursday, 5 February 18th, 9:30 a.m. I call the meeting to order. 6 And I think the first order of business is to take a look 7 at our January 21, 2016, minutes. 8 Has everybody had a chance to look at those? Any 9 comments, additions, changes? 10 If so, do I hear a motion? 11 COMMISSIONER KOESTER: Mr. Chairman, I move that 12 we approve the minutes. 13 COMMISSIONER KIMBLE: Second. 14 CHAIRPERSON LAIRD: It's been moved and seconded 15 that we approve the January 21, 2016, minutes as they 16 appear in our notebooks. All in favor, say "aye." 17 (Chorus of ayes.) 18 19 CHAIRPERSON LAIRD: Opposed, say "nay." 20 Carries unanimously. 21 The next item on the agenda is the discussion and 22 possible action on the Executive Director's report. 23 Director Collins. 24 MR. COLLINS: Mr. Chairman, Members, thank you. 25 Real- -- to really hit the high points of the Executive</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>
<p style="text-align: right;">4</p> <p>1 Director's report, we have -- we are live streaming, 2 supposedly, just so everybody knows. Which is good 3 because that's something that we wanted to do for a while 4 and -- and I think it kind of catches us up with a lot of 5 other boards and commissions. 6 As you can see, we've been doing quite a -- quite 7 a bit around the State with -- with meeting with different 8 folks about what the Commission's activities are, 9 principally around voter education. 10 We have the participating candidate issues -- I 11 mean, not issues, we have 42 candidates right now 12 legislatively, six statewide candidates. 13 And then -- it looks like we're missing a page of 14 the report. 15 So, the item there, Veterans for a Strong 16 America, just to give you an update, Veterans for a Strong 17 America provided a -- a report to the AG's office last 18 week and so when we have an update beyond that, I will 19 provide it. 20 I think the last thing I'll just mention -- oh. 21 I wanted to, if we could, Gina has -- do we have that? 22 Gina has -- was going to show you one of the things we're 23 doing on the presidential preference election voter 24 education front. The materials we've put out have been 25 integrated into, you know, county websites. For example,</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>	<p style="text-align: right;">5</p> <p>1 Pima County is using our materials as part of their 2 education campaign. So, this really is working in the way 3 we intended it to as an integrated effort across -- across 4 -- across the State where -- and I think the City of 5 Surprise has been broadcasting our materials and has made 6 those available as well, so. 7 So, I don't mean to pre-empt. I -- I wanted to 8 have Gina supplement that a little bit and -- and -- so 9 I've probably stole too much of her thunder, so I'll -- I 10 will -- I will give her a second to show you what we're 11 doing. 12 MS. ROBERTS: Sure. Mr. Chairman, Commissioners, 13 thank you. So, our -- our voter education materials for 14 the March 22nd presidential preference election, we 15 launched those on January 25th; and, as Tom mentioned, 16 several of our election official colleagues across the 17 State have shown great interest in them and are utilizing 18 them in their own efforts to educate voters in their 19 jurisdiction. 20 For example, City of Surprise, they are running a 21 video I'm about to show you that we created that explains 22 what the presidential preference election is on their 23 government TV channel and they're sharing that with other 24 -- other government TV channels as well across the State. 25 Also, the Arizona Republic ran a front-page story</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>

<p style="text-align: right;">6</p> <p>1 regarding the PPE and -- and what materials that we are</p> <p>2 providing; and on their page, on AZCentral, they actually</p> <p>3 hosted the video as well, too, so.</p> <p>4 To help educate voters, we created a "PPE 101"</p> <p>5 video. It kind of explains the whole process of what the</p> <p>6 presidential preference election is and how to</p> <p>7 participate; and from there we created supplemental videos</p> <p>8 as well, such as registering to vote, early voting, who</p> <p>9 can participate -- which that is a big issue, Independent</p> <p>10 voters are not eligible to participate in the PPE. So,</p> <p>11 we've made sure that a lot of our education campaign</p> <p>12 touches on that point because that is our largest vote --</p> <p>13 voting block in Arizona.</p> <p>14 In a -- in addition to this video, we've also</p> <p>15 hosted them on our social media channels and we've seen</p> <p>16 some of our posts get -- actually, they're probably our</p> <p>17 most successful posts that we've had and we've had a reach</p> <p>18 of over 150,000 people see them. So, it's been pretty</p> <p>19 successful so far and we'll share the video with you.</p> <p>20 (Whereupon the video is played.)</p> <p>21</p> <p>22 MS. ROBERTS: Sorry about that, looks like we had</p> <p>23 a bit of an echo with the sound. But that's -- that's</p> <p>24 pretty much the video. So, if anybody has any questions,</p> <p>25 I'd be happy to ask -- answer. Okay?</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>	<p style="text-align: right;">7</p> <p>1 CHAIRPERSON LAIRD: That's very good. Very</p> <p>2 informative. Nice job.</p> <p>3 MS. ROBERTS: Thank you.</p> <p>4 MR. COLLINS: Yeah. We're super excited about</p> <p>5 it. I think it's a -- I think it's -- I think it's been</p> <p>6 really -- it's really successful, and it -- and it -- and</p> <p>7 this is the kind of thing I think, like I say, I think</p> <p>8 we'll -- we'll -- we are I think getting good feedback, as</p> <p>9 Gina mentioned. As long as -- you know, as much as we</p> <p>10 create content that folks can use, that they don't have a</p> <p>11 budget for, I mean, cities, towns, counties don't have</p> <p>12 resources to do this. So, if we create materials that</p> <p>13 they can roll out, it is, you know, serving more than one</p> <p>14 function and that's really delivering on, I think, our --</p> <p>15 the Commission's agenda really clearly, so.</p> <p>16 MS. ROBERTS: And -- and if I could add on, Mr.</p> <p>17 Chairman, Commissioners, to that point, we also try to</p> <p>18 include them in -- in that process of developing those</p> <p>19 materials. So, we understand what the election officials</p> <p>20 across the State think are -- are urgent messages that</p> <p>21 need to get to voters as well, so we make sure that we</p> <p>22 include them in that process. And, yes, as Tom said,</p> <p>23 it's -- they just sometimes don't have the budget for it,</p> <p>24 so it's nice that we can develop materials that they can</p> <p>25 utilize in their own efforts and help spread the word.</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>
<p style="text-align: right;">8</p> <p>1 And also we've been disseminating things such as</p> <p>2 contributing columns, and -- and I think as of yesterday,</p> <p>3 approximately over 15 publications has -- have picked that</p> <p>4 up as well. So, the word is getting out there about the</p> <p>5 PPE. Thank you.</p> <p>6 CHAIRPERSON LAIRD: Very good. Thank you so</p> <p>7 much.</p> <p>8 Okay. The next item on our agenda today, Item</p> <p>9 No. IV, is discussion and possible action on the five-year</p> <p>10 review report submitted to the Governor's Regulatory</p> <p>11 Review Council. And we may choose to go into executive</p> <p>12 session on this particular item for consultation with our</p> <p>13 attorneys regarding pending or contemplated litigation or</p> <p>14 other legal matters.</p> <p>15 Anything we can discuss publically on this at</p> <p>16 this -- I guess give us a status report, Tom --</p> <p>17 MR. COLLINS: Sure.</p> <p>18 CHAIRPERSON LAIRD: -- and then we may want to go</p> <p>19 into executive session.</p> <p>20 MR. COLLINS: Yeah. Mr. Chairman, Commissioners,</p> <p>21 gosh. I can't remember, I guess we have not met since --</p> <p>22 since the Governor's Regulatory Review Council met last.</p> <p>23 So, Commissioner Kimble was there, Mary and I were there,</p> <p>24 and then Mike and Sara and Gina I think were there as</p> <p>25 well.</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>	<p style="text-align: right;">9</p> <p>1 We -- the Council voted to return the report and</p> <p>2 the Council -- which we submitted this five-year report</p> <p>3 which the Commission has done for years and years and</p> <p>4 years without any issues at all. They voted to return</p> <p>5 that to us, and they voted to -- they voted to repeal</p> <p>6 several rules that the Commission has passed since 2013.</p> <p>7 They did that with the four members of the Council who did</p> <p>8 not declare a conflict of interest voting. They all voted</p> <p>9 for it, that motion -- those two motions.</p> <p>10 That's actually about all I can say in open</p> <p>11 session. Other than it's -- you know, it's -- it's</p> <p>12 something that we've had to talk a lot about in the sense</p> <p>13 that, you know, we've gotten some attention to it, The</p> <p>14 Republic, Laurie Roberts, has done a couple of columns</p> <p>15 about it. I don't know if you-all have seen those. I</p> <p>16 haven't gone out of my way to forward them to you; and we</p> <p>17 did a segment on a television public affairs program about</p> <p>18 it with the Secretary's Director of Election Services.</p> <p>19 So, that's the status quo. I guess I'd -- I'd</p> <p>20 rather suggest that we go into executive session so Mary</p> <p>21 can start to talk to you about where we are in a more</p> <p>22 candid fashion.</p> <p>23 CHAIRPERSON LAIRD: Any public questions or</p> <p>24 comments before we entertain a motion to go into executive</p> <p>25 session from anybody?</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>

<p style="text-align: right;">10</p> <p>1 Okay. I'd entertain a motion if someone would</p> <p>2 care to make one.</p> <p>3 COMMISSIONER MEYER: I move that we enter into</p> <p>4 executive session.</p> <p>5 COMMISSIONER KOESTER: I second.</p> <p>6 CHAIRPERSON LAIRD: Okay. It's been moved and</p> <p>7 seconded that we go into executive session at this time to</p> <p>8 consult with our legal counsel. All in favor, say "aye."</p> <p>9 (Chorus of ayes.)</p> <p>10</p> <p>11 CHAIRPERSON LAIRD: Opposed, say "nay."</p> <p>12 Carries unanimously.</p> <p>13 And we will now go into executive session and</p> <p>14 turn off the Webcast, I assume. Yes.</p> <p>15 (Whereupon the public retires from the meeting</p> <p>16 room.)</p> <p>17 (Whereupon the Commission is in executive session</p> <p>18 from 9:40 a.m. until 10:48 a.m.)</p> <p>19</p> <p>20 * * * * *</p> <p>21</p> <p>22 (Whereupon all members of the public are present</p> <p>23 and the Commission resumes in general session.)</p> <p>24</p> <p>25 CHAIRPERSON LAIRD: Okay. We are back in public</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>	<p style="text-align: right;">11</p> <p>1 session after an extended executive session discussion</p> <p>2 regarding Agenda Item No. IV, and there's no action to</p> <p>3 take with respect to that issue after considering the</p> <p>4 legal issues.</p> <p>5 And we're going to move on to Agenda Item No. V,</p> <p>6 discussion and possible action on the 2016 legislative</p> <p>7 updates.</p> <p>8 Executive Director Collins.</p> <p>9 MR. COLLINS: Yes. Mr. Chairman, Commissioners,</p> <p>10 I'll try to keep this brief because we've -- you know,</p> <p>11 obviously, we've gone pretty long.</p> <p>12 You see a -- a summary that Mike put together on</p> <p>13 -- on -- on -- on bills and then there's a bit of a longer</p> <p>14 memo. On specific Senate Bill, Senate Bill 1516, which is</p> <p>15 a bill sponsored by Senator Adam Driggs that does a lot to</p> <p>16 the campaign finance code. And I -- I'd really like to</p> <p>17 focus on that for a second and just kind of -- I -- I've</p> <p>18 given you a memo there that sort of outlines in view of</p> <p>19 the principals that the Commission voted on back in</p> <p>20 December and some of the specific policy issues that --</p> <p>21 that we identified from various drafts of this bill as</p> <p>22 they were -- as they were available.</p> <p>23 You know, we have signed in -- I have signed in</p> <p>24 and -- and currently Joe is actually in the Senate</p> <p>25 Judiciary signing an opposition to this measure. The</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>
<p style="text-align: right;">12</p> <p>1 principal reasons for doing that are that there are a</p> <p>2 number of ways in which this measure will raise serious</p> <p>3 Voter Protection Act issues and -- and -- and -- and</p> <p>4 those, I've outlined some of them in the -- in the memo.</p> <p>5 They include a new formula for adjusting campaign finance</p> <p>6 limits that is not by inflation. Right now the</p> <p>7 legislature can adjust the campaign finance limits by a</p> <p>8 vote to raise them, that is a result of a Supreme Court</p> <p>9 case. And they can -- or, they go up by the CPI, which is</p> <p>10 what the Clean Elections Act says.</p> <p>11 This bill sets a \$100 election cycle increase, a</p> <p>12 sort of set-it-and-forget-it approach to campaign finance</p> <p>13 limit increases. The Voter Protection Act does not allow</p> <p>14 that. The benefit of having the legislature having to</p> <p>15 vote every time to increase the limits that the Clean</p> <p>16 Elections Act then curbs, is that the legislature is</p> <p>17 accountable for increasing their own ability to raise</p> <p>18 money.</p> <p>19 What the Secretary's bill -- this is actually a</p> <p>20 bill that Secretary Reagan wrote -- does is create a sort</p> <p>21 of set-it-and-forget-it mechanism, where legislators will</p> <p>22 no longer have to be accountable for increasing the limits</p> <p>23 on a -- on a session-by-session basis and that's not</p> <p>24 consistent with the VPA.</p> <p>25 It sets forth some language respecting the</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>	<p style="text-align: right;">13</p> <p>1 exclusivity of the filing officer, in this case the</p> <p>2 Secretary of State, with respect to certain actions that</p> <p>3 other enforcement agencies may take. To the extent that</p> <p>4 that is ca- -- cabin to Article 1, then it's the <u>Horne</u></p> <p>5 case that we already have been successful and says it</p> <p>6 doesn't affect us.</p> <p>7 There is some language that's broader and seems</p> <p>8 to suggest that a -- that a -- a regu- -- a -- a</p> <p>9 regulatory body can't act on its own subpoena power</p> <p>10 without a prior approval from the Secretary's office.</p> <p>11 Well, that's, again, a -- a VPA problem because the -- the</p> <p>12 Commission's powers in that respect are independent of the</p> <p>13 Secretary's office.</p> <p>14 There's a new report on independent expenditures.</p> <p>15 As you know, the Clean Elections Act itself creates</p> <p>16 independent expenditure reports. They're part of the Act,</p> <p>17 they're not an extraneous thing, and this creates a</p> <p>18 redundant report that to the extent it supercedes the</p> <p>19 Commission's reports at a State level would violate the</p> <p>20 Voter Protection Act.</p> <p>21 And then, finally, one of the -- one of the very</p> <p>22 strange things is there's some language in the bill, which</p> <p>23 is -- I -- I -- which I highlighted, which is that it --</p> <p>24 it talks about persons may make any contribution not</p> <p>25 otherwise prohibited by this Article -- that's the new</p> <p style="text-align: center;">Miller Certified Reporting, LLC</p>

<p style="text-align: right;">14</p> <p>1 language -- or any expenditure not otherwise prohibited by 2 this Article.</p> <p>3 Well, that raises two very interesting problem 4 because the Clean Elections Act, whether you're a 5 clean-funded candidate or a traditional candidate, imposes 6 limits. So, it -- it begs the question whether or not 7 that's an implicit repeal of the limits, both that apply 8 to clean candidates and the -- and the -- and the 9 traditional candidates, and that's a VPA problem.</p> <p>10 And then, lastly, and this is really interesting, 11 the measure takes the penalty for candidates taking 12 excessive contributions off the candidate and leaves it 13 solely on the donor, and that means that one of two things 14 happens: Either it, again, implicitly repeals the Clean 15 Elections Act, it violates the VPA, because the Clean 16 Elections Act puts -- it very clearly puts the onus on the 17 candidate. It says: A candidate shall not do X, Y, and 18 Z, subject to penalties.</p> <p>19 Or -- and I'm not sure the Secretary's office 20 intended this -- it leaves the Clean Elections Commission 21 as the sole enforcer of candidate penalties for excessive 22 contributions in that context.</p> <p>23 So, it's a -- it's a -- it's a weird dichotomy 24 where -- I don't know if it's an accidental thing or a 25 purposeful thing. I'm pretty sure it's accidental. But</p> <p style="text-align: right;">Miller Certified Reporting, LLC</p>	<p style="text-align: right;">15</p> <p>1 if you read the laws together, you either reach a 2 unconstitutional conclusion, which is they would have 3 repealed part of the Clean Elections Act without any, you 4 know, justification that shows how it furthers the 5 purpose; or, they have essen- -- they have halved the 6 enforcement procedures in such a way that the Secretary's 7 office, I guess, would do the donor and the Clean 8 Elections Commission would do the candidate. That's just 9 what the language says.</p> <p>10 So, you know, it's -- it's got other stuff in it 11 that's -- that's interesting. I mentioned a couple of 12 highlights in the -- in the -- in the bill changes the -- 13 the -- the landscape of campaign finance in this State in 14 a way that's -- that's pretty extraordinary. But, you 15 know -- so the -- that's where we are.</p> <p>16 I -- I'm -- we don't -- I'm not going to ask for 17 additional action on it from you other than to say we're 18 in opposition to it. We're still, you know, extending our 19 efforts to work with the Secretary's office. Eric Spencer 20 and I have actually been in dialogue over the last 21 12 hours to set up a meeting to try to talk about where we 22 are. I will tell you that the dialogue has been -- well, 23 we have an agreement to talk. How long that conversation 24 will be is a -- is a -- is a different question. But 25 that's -- that's not nothing.</p> <p style="text-align: right;">Miller Certified Reporting, LLC</p>
<p style="text-align: right;">16</p> <p>1 So -- so, you know, as -- as -- as Joe and I have 2 said throughout this process, even with what's happened at 3 GRRC, even with this, we still want to be able to -- to 4 find a -- a solution that can comport with the Voter 5 Protection Act and -- and maybe there's some room in this 6 to do that.</p> <p>7 I'd -- I'll just highlight one of the other 8 oddities of this is there's a public records exception in 9 the -- in the bill that would say that an enforcement 10 officer would -- would not be subject to a public records 11 request for any information related to evaluating 12 something to see if it's a committee until -- until -- I 13 guess until they wanted to give it -- to -- to -- to give 14 it to somebody. Which is, again, a significant change in 15 law throughout the entire appeals process.</p> <p>16 So, the thing about that, you're a candidate, you 17 file a complaint, you know, it somehow relates to a 18 political committee status, it goes into enforcement 19 somehow, and then you don't get to hear about it until it 20 gets to the U.S. Supreme Court, I guess. I'm not sure 21 how -- how that works and I also don't know if that will 22 stay in. But -- but these are the kinds of -- I mean, I 23 want to talk about really, really radically changing the 24 landscape in which we've all been operating, this does 25 that.</p> <p style="text-align: right;">Miller Certified Reporting, LLC</p>	<p style="text-align: right;">17</p> <p>1 And -- and -- and -- and so we don't see the need 2 to necessarily object to everything in here. Frankly, 3 there's some stuff in here I'm sure that the Commission -- 4 that, you know, we haven't -- we don't need to take 5 position on at all whatsoever.</p> <p>6 The bottom line is, however, it -- it -- it at 7 best creates confusion about and at worst does not advance 8 the purposes of the Clean Elections Act, and so we feel 9 duty-bound to -- to -- and based on the -- your vote for 10 legislative -- on legislative principals and the position 11 we've taken in GRRC and in Court and everywhere else, it 12 simply would be, you know, in- -- inconsistent with that 13 for us not to tell the legislature what I've just told 14 you.</p> <p>15 So, that's -- that's really the big bulk of it.</p> <p>16 We can -- we -- what we -- the other thing we'll probably 17 do is -- is take the memo that I've given you and kind of 18 formalize it a little more into a letter that we send over 19 to the legislature. It -- it captures most of what I said 20 in testimony with Joe, and Joe will be testifying in the 21 Senate Jud today -- in fact, he may even be doing it 22 pretty soon, you know, to say, you know, we hope to find a 23 way to work with the -- find a way to work with the 24 Secretary on -- on this stuff. And we said -- I said that 25 yesterday when I testified in Senate Gov.</p> <p style="text-align: right;">Miller Certified Reporting, LLC</p>

<p style="text-align: right;">18</p> <p>1 So -- so, you know, we hope that that's possible, 2 and -- but in the meantime, you know, we -- we really have 3 to -- to -- to -- you know, and to -- to -- you know, 4 and -- and -- we really have no choice but to advise the 5 -- we're not really -- advise the legislature that -- 6 that -- that if they take some of these actions that 7 supercede or amend the Clean Elections Act, they will 8 result in a constitutional problem. 9 And that's really -- that's really that, unless 10 anyone has any questions on it. I -- I don't think that 11 there's any -- you know, our -- our other bill that we 12 like, which is House Bill 2121, was assigned to the Senate 13 Government Committee. That's a bill that passed out of 14 the House unanimously. It clarifies the voter education 15 provisions to expressly bring in candidates in other 16 races, the JPR process, and -- and some initiative stuff 17 so that, you know, we can really -- again, to the point we 18 made -- I made in the Executive Director's report, there 19 are not resources when you're talking about a budget where 20 you're going to look at, you know, education, healthcare, 21 public safety, you know, elections are pretty far down the 22 list. So, having resources that we can dedicate to making 23 sure the voters are getting the information they need and 24 how to understand it is really an important thing. 25 So, that bill sailed through the House, it's Miller Certified Reporting, LLC</p>	<p style="text-align: right;">19</p> <p>1 gotten assigned -- only single assigned in the -- in the 2 Senate, so, you know, we're hopeful that that's -- that 3 that's got some legs, too. So, that's really the -- the 4 bulk of the -- of -- of -- of my report unless anyone has 5 any questions on that issue. 6 CHAIRPERSON LAIRD: Commissioners, questions or 7 comment? 8 COMMISSIONER MEYER: None from me. 9 CHAIRPERSON LAIRD: Thank you, Tom. 10 Okay. Let's move on to the next item on 11 the agenda, No. VI, discussion and possible action on the 12 2015 Commission's annual report. 13 I gave Tom an update on my bio 'cause some things 14 have changed. Anybody else have any other comments or 15 edits with respect to the annual report? 16 MR. COLLINS: And Mr. Chairman, if I may, you 17 know, our -- our goal here is to -- there's some things 18 we're finalizing in terms of the numbers that will go in 19 there. So, really, what we're asking for is just that you 20 authorize us to finalize and submit the annual report. 21 The annual report is a -- is a pretty pro forma thing 22 where we mention -- you know, we talk about the things 23 we've done over the course of the last year, talk about 24 the candidate funding and those kinds of things. It's a 25 -- it's a -- something we do in-house, and it's -- so Miller Certified Reporting, LLC</p>
<p style="text-align: right;">20</p> <p>1 it's -- it's not -- we don't -- we haven't used it to make 2 too much in the way of policy pronouncements or anything 3 like that. So, I mean, we don't think -- we don't think 4 of it as a thing that requires a lot of scrutiny, but -- 5 but, you know, we'd like to get it in -- in on -- in -- 6 it's due between now and the next meeting. 7 CHAIRPERSON LAIRD: Would you like a motion in 8 that regard? 9 MR. COLLINS: If -- that's what we are going to 10 do unless -- I mean, a motion would certainly -- wouldn't 11 hurt. If you don't want to make a motion, that's what -- 12 I will inform you that that is what we intend to do, 13 absent a motion to the contrary. 14 CHAIRPERSON LAIRD: Anybody want to make a motion 15 on that or just let him proceed on down the road as -- as 16 set forth already in our booklet? 17 COMMISSIONER TITLA: Motion. 18 CHAIRPERSON LAIRD: Commissioner Titla? 19 COMMISSIONER TITLA: Motion. 20 CHAIRPERSON LAIRD: Commissioner Titla makes a 21 motion that we direct Executive Director and staff to 22 proceed with the annual report. Do I hear a second? 23 COMMISSIONER KIMBLE: Second. 24 CHAIRPERSON LAIRD: All in favor, say "aye." 25 (Chorus of ayes.) Miller Certified Reporting, LLC</p>	<p style="text-align: right;">21</p> <p>1 CHAIRPERSON LAIRD: All opposed, say "nay." 2 You are hereby directed to proceed. 3 MR. COLLINS: Thank you, Mr. Chairman. 4 CHAIRPERSON LAIRD: Okay. Now is the time for 5 public comment, Item No. VII on the agenda. So, if 6 there's anyone here that would like to make any public 7 comment, we are happy to hear those. 8 Okay. I don't see anybody that really wants to 9 make a public comment at this time; and, therefore, unless 10 there's some other new business or item somebody would 11 like to discuss, we'll be adjourned. 12 (Whereupon the proceeding concludes at 11:02 13 a.m.) 14 15 16 17 18 19 20 21 22 23 24 25 Miller Certified Reporting, LLC</p>

	22		23
1	C E R T I F I C A T E		
2			
3	I, Angela Furniss Miller, Certified Reporter, do	1	
4	hereby certify that the foregoing pages numbered 1 through	2	
5	21, inclusive, constitute a full and accurate printed	3	
6	record of my stenographic notes taken at said time and	4	
7	place, all done to the best of my skill and ability.	5	
8	DATED, at LITCHFIELD PARK, Arizona, this 23rd	6	
9	day of February, 2016.	7	
10		8	
11		9	
12		10	
13	Angela Furniss Miller, RPR, CR	11	
14	Certified Reporter (AZ50127)	12	
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		25	
	Miller Certified Reporting, LLC		Miller Certified Reporting, LLC

CITIZENS CLEAN ELECTIONS COMMISSION

EXECUTIVE DIRECTOR REPORT

March 31, 2016

Announcements:

- The public can now view Commission meetings live via the internet at www.livestream.com/cleanelections. A link will be available on our web site.

Voter Education:

- On February 25 and 26, 2016, Tom, Sara and Gina attended the Election Center conference held in downtown Phoenix. The conference included discussions on emergency planning, voter outreach and election mail.
- On March 29, 2016, the Commission sponsored a panel forum on campaign finance to provide an informative and timely discussion for voters.
- On April 16, 2016, staff will participate in the Celebrate Mesa event to provide voter outreach and education materials.
- Tom is speaking to the League of Women Voters that day.
- **Candidate Information – 2016 Election Cycle:**
- All participating candidate January 31st Campaign Finance Reports have been reviewed. We do not anticipate any enforcement actions from our review of the reports.
- Next campaign finance reports are due June 30th.
- Participating Legislative Candidates: 49
- Participating Statewide Candidates: 6
- Clean Elections Training Workshops:
 - Commission staff has conducted 12 Clean Elections workshops so far this election cycle.
 - 40 participating candidates have attended a candidate training workshop.
 - 27 members of the public have attended a Clean Elections training workshop.

Enforcement – 2016 Election Cycle: None

Enforcement – 2014 Election Cycle:

- Complaints Pending: 3
 - MUR 14-006, -015 (consolidated/conciliated): Horne - pending completion of items in conciliation agreement.
 - MUR 14-007: Legacy Foundation Action Fund (LFAF)
 - MUR 14-027: Veterans for a Strong America (VSA)

VSA provided the Attorney General's Office copies of financial documents on March 18th. We will continue to monitor.

Miscellaneous:

- **Budget**

- CY2015 year-end information is attached as Attachment 1 to this Report.
- The first quarter ends today. We anticipate a report in April.

Attachment 1

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Mitchell C. Laird
Chair

Steve M. Titla
Damien R. Meyer
Mark S. Kimble
Galen D. Paton
Commissioners

State of Arizona
Citizens Clean Elections Commission

1616 W. Adams - Suite 110 - Phoenix, Arizona 85007 - Tel (602) 364-3477 - Fax (602) 364-3487 - www.azcanelections.gov

MEMORANDUM

To: Commissioners

From: Sara A. Larsen, Financial Affairs & Compliance Officer

Date: March 29, 2016

Subject: 2015 Calendar Year Budget Review

Fund Balance

As anticipated in a non-election year, the Commission's fund balance increased due to decreased expenditures such as candidate funding and the candidate statement pamphlet. Those expenditures only take place during an election year.

The Clean Elections Fund increased by an average of \$424,257 per month during 2015. The beginning fund balance was \$19,845,992 and the ending fund balance was \$24,512,815. The annual fund increase was \$4,666,823.

Revenues

The Commission projected 2015 total annual revenues to be \$8,420,000. The Commission received \$8,213,127 in total revenues in 2015. An average the Commission received \$684,427 per month. The Commission projected monthly revenues in the amount of \$701,666. As we have experienced in previous years, annual revenues are decreasing.

Expenditure Caps

The Commission operates under system of caps that operate on a calendar year basis. *See* A.R.S. § 16-949.

Expenditure Cap on Total Expenses

The Commission's approved expenditure cap in 2015 was \$19,583,662.¹

In 2015 the Commission's expenditures did not exceed the expenditure cap. The Commission's actual expenditures did not exceed the Commission's 2015 approved budget of \$4,374,066. The Commission's actual expenditures in 2015 were \$3,590,741 (18.33% of the total expenditure cap and 82% of the approved budget).

Specific Categories of Expenses

The Commission categorizes operating expenses using four categories under the expenditure cap: Administration/Enforcement, Public Education, Voter Education and Candidate Funding. Our overhead costs are apportioned by a 50/50 split between Administration/Enforcement and Voter Education. Personal Services and Employee Related Expenses are apportioned by allocated staff-time between administration/enforcement and voter education responsibilities.

¹ The Commission projects an expenditure cap for each calendar year for all expenses under the Act, including candidate funding. A.R.S. § 16-949.

Administrative & Enforcement

The Commission's approved administrative and enforcement expenditure cap in 2015 was \$1,958,366.²

In 2015 the Commission's administrative and enforcement expenditures did not exceed the administrative and enforcement expenditure cap. The Commission's actual expenditures did not exceed the Commission's 2015 approved budget of \$1,491,450. The Commission's actual expenditures in 2015 were \$998,170 (51% of the expenditure cap and 67% of the approved budget).

Public Education

The Commission's approved public education expenditure cap in 2015 was \$1,958,366.³

In 2015 the Commission's public education expenditures did not exceed the public education expenditure cap. The Commission's actual public education expenditures did not exceed the Commission's 2015 approved budget of \$1,958,366. The Commission's actual expenditures in 2015 were \$1,866,516 (95% of the expenditure cap and 95% of the approved budget).

Voter Education and Implementation of the Act

The Commission's approved \$924,250 for 2015 voter education and implementation expenditures.⁴ The Commission's actual voter education and implementation expenditures did not exceed the Commission's 2015 approved budget were \$726,056 (79% of the approved expenditure budget).

Candidate Funding

Participating candidates were not eligible to receive Clean Elections Funding in 2015.

² The Commission may spend up to 10 percent of the calendar year expenditure cap for administrative and enforcement costs. A.R.S. §16-949 (B).

³ The Commission may apply up to ten percent of the yearly expenditure cap for reasonable and necessary expense associated with public education, including participation and the purposes of the Act. A.R.S. §16-949 (C).

⁴ The Commission may make reasonable and necessary expenditures to implement the Act, including expenditures for voter education pursuant to A.R.S. 16-956(A). A.R.S. § 16-949(D). Reasonable and necessary expenditures are not subject to any cap. *Id.*

**Citizens Clean Elections Commission
2015 Calendar Year Budget Review**

Fund Balance		
As of March 2, 2016	\$	24,684,193

		2015 Actuals	2015 Projections	Variance
<i>Revenues</i>				
Court Assessments		\$ 8,177,696	\$ 8,400,000	\$ (222,304)
Commission Assesments		0	5,000	(5,000)
\$5 Tax Donations		16,569	0	16,569
Miscellaneous		18,862	15,000	3,862
Total Revenues		\$ 8,213,127	\$ 8,420,000	\$ (206,873)

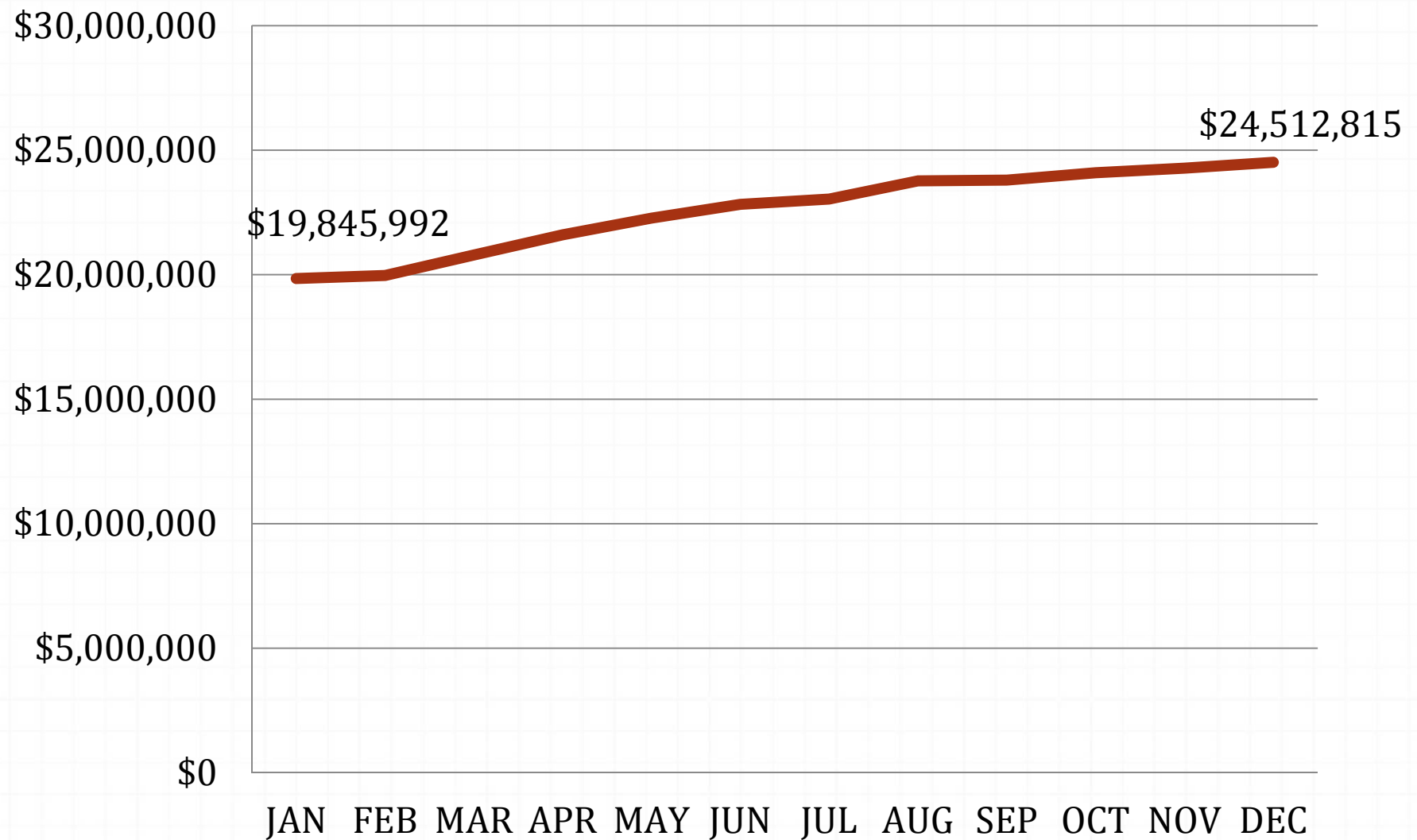
	Admin & Enforce	Public Education	Combined Actuals	2015 Budgeted	Variance
<i>Expenses</i>					
Personal Services	\$ 239,046	260,062	499,108	\$ 533,600	\$ 34,492
ERE	75,570	89,805	165,375	180,000	14,625
Professional Outside Services					
Paid Media- Public Ed		1,866,516	1,866,516	1,958,366	91,850
AG Legal Svcs	110,100	28,000	138,100	165,000	26,900
External Legal Svcs	201,618	-	201,618	500,000	298,382
Temp Agency Svcs	1,818	1,818	3,635	4,000	365
Other Prof. Svcs	198,689	67,552	266,241	370,000	103,759
Travel In-State	3,226	1,969	5,195	12,500	7,305
Travel Out-of-State	283	1,228	1,511	5,000	3,489
Other Operating Expenditures	115,142	238,400	353,541	381,600	28,059
Aid to Other (\$5 Verification)	326	-	326	500	175
Capital Equipment	-	-	-	-	-
Non-Capital Equipment	29,044	30,500	59,544	75,000	15,456
Transfers (other state agencies)	23,308	6,722	30,030	188,500	158,470
Total Expenses	\$ 998,169	2,592,572	3,590,741	\$ 4,374,066	\$ 783,325

Citizens Clean Elections Commission
2015 Quater 1 - Quater 4
Budget Report

	Q1	Q2	Q3	Q4	2015 Actuals	2015 Projections	Variance
<i>Revenues</i>							
Court Assessments	\$ 2,032,192	\$ 2,391,522	\$ 1,876,630	\$ 1,877,352	\$ 8,177,696	\$ 8,400,000.00	\$ 222,304
Commission Assessments	-	-	-	-	-	5,000	5,000
\$5 Tax Donations	6,235	10,094			16,569	0	(16,569)
Tax Credit Donations						0	-
Miscellaneous	9	-	12,958	5,895	18,862	15,000	(3,862)
<i>Total Revenues</i>	<u>\$ 2,038,436</u>	<u>\$ 2,401,616</u>	<u>\$ 1,889,588</u>	<u>\$ 1,883,247</u>	<u>\$ 8,212,887</u>	<u>\$ 8,420,000</u>	<u>207,113</u>
							-
<i>Expenses (Admin & Voter Ed. Combined)</i>							-
Personal Services	\$ 125,609	\$ 114,080	\$ 140,546	\$ 78,423	\$ 499,108	\$ 533,600	\$ 34,492
Employee Related Expenses (ERE)	42,689	38,631	45,340	38,715	165,375	180,000	14,625
Professional & Outside Services	259,249	98,880	102,377	149,089	609,595	1,039,000	429,405
Public Education - Media	19,008	57,257	509,669	1,280,581	1,866,516	1,958,366	91,850
Travel-In State	965	1,158	1,639.00	1,434	5,195	12,500	7,305
Travel Out-of-State			1,511	-	1,511	5,000	3,489
Other Operating Expenditures	71,245	57,813	77,460	147,023	353,541	381,600	28,059
Aid to Individual/Organization	326	-	-	-	326	500	175
Capital Equipment	-	-	-	-	-	0	-
Non-Capital Equipment	9,862	835	10,851	30,088	59,544	75,000	15,456
Transfers (other state agencies)	16,586	1,444	-	12,000	30,030	188,500	158,470
<i>Total Expenses</i>	<u>\$ 545,538</u>	<u>\$ 370,098</u>	<u>\$ 889,394</u>	<u>\$ 1,777,804</u>	<u>\$ 3,590,741</u>	<u>\$ 4,374,066</u>	<u>\$ 783,325</u>

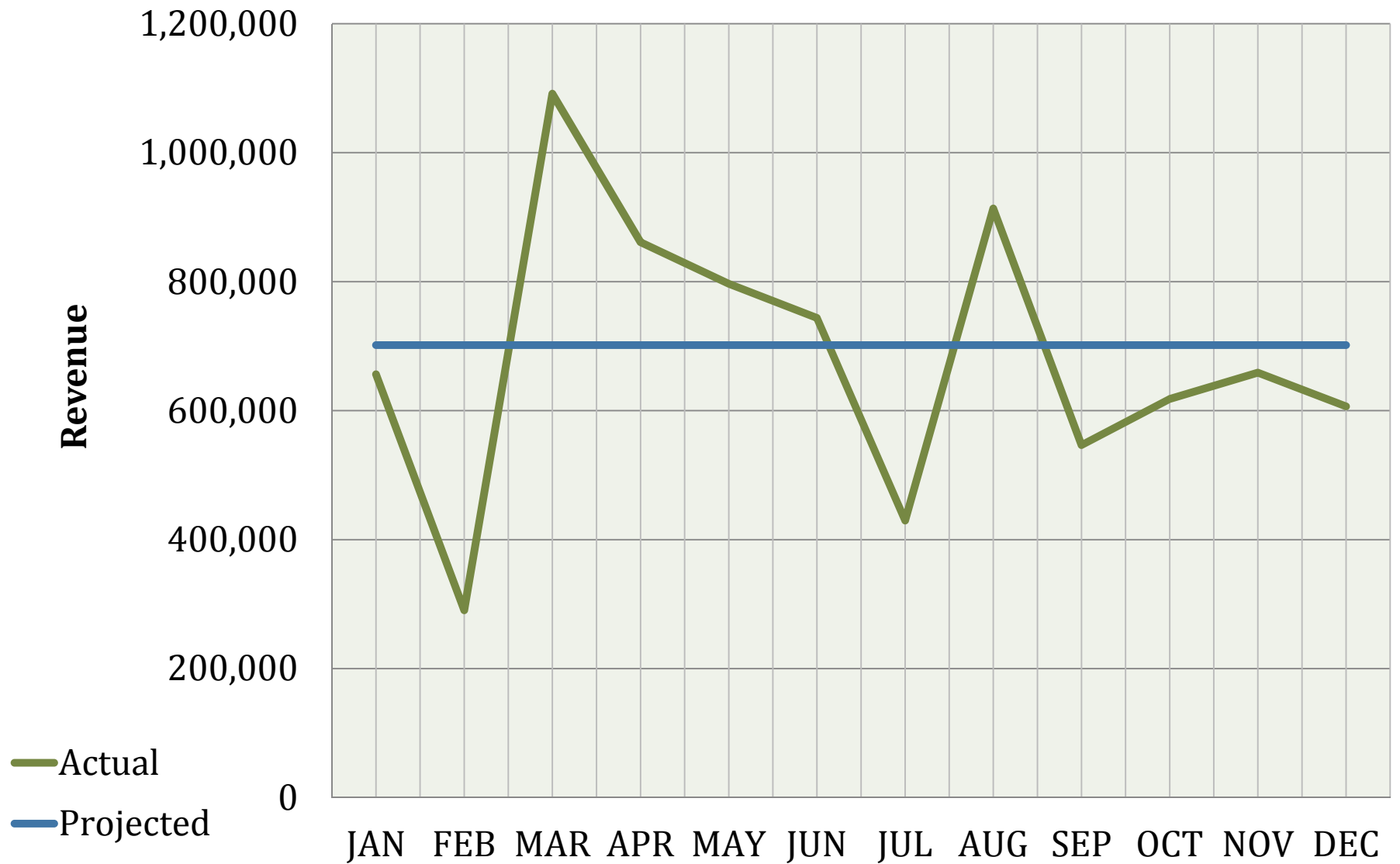
2015 Monthly Fund Balance

A.R.S. §16-954(B)



2015 Monthly Revenues

A.R.S. §16-954(B)



**Citizens Clean Elections Commission
2015 Calendar Year Budget Review**

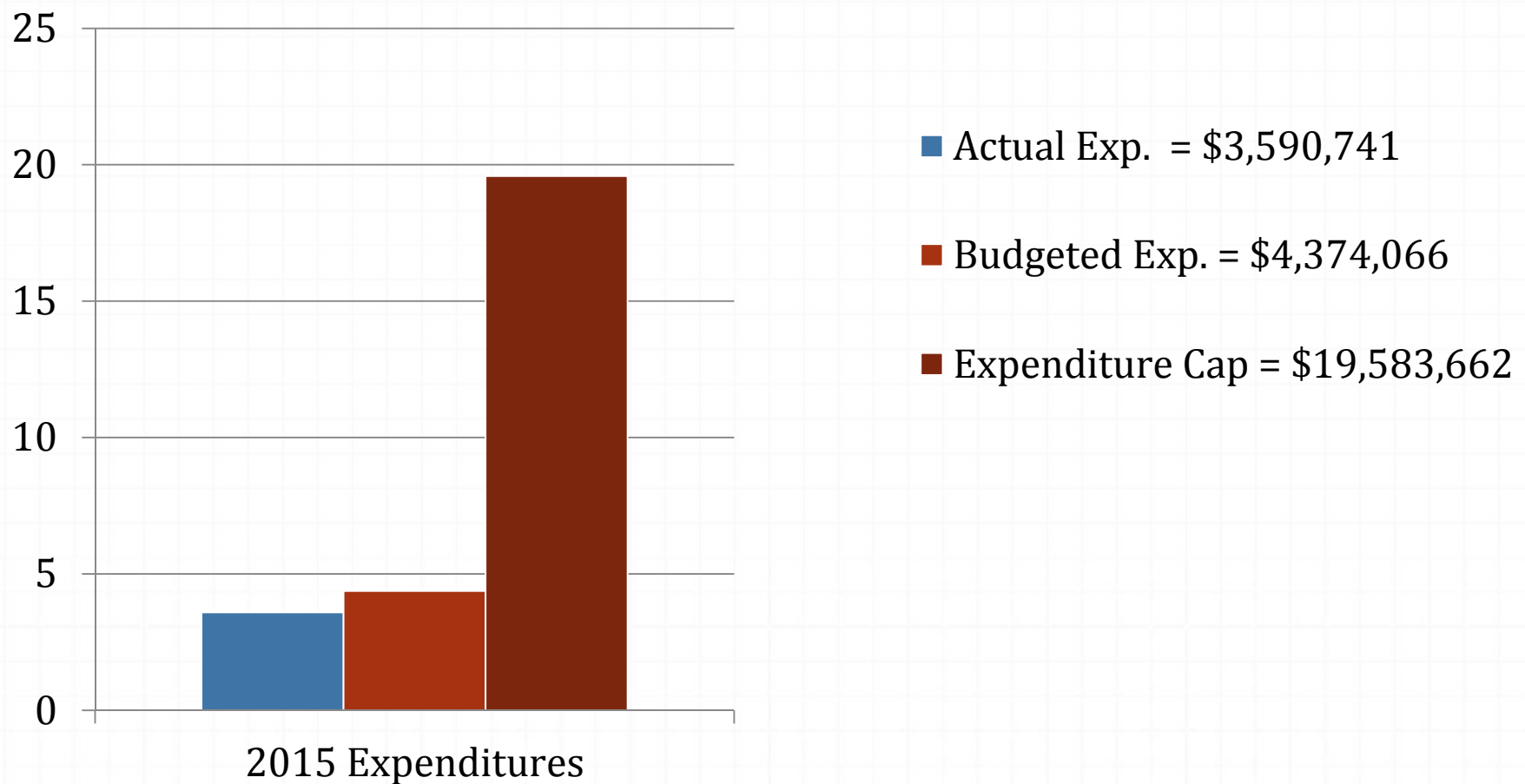
Expenditure Snapshot		Actuals		Budgeted		Variance		Expenditure Caps
Admin & Enforcement	\$	998,170	\$	1,491,450	\$	493,280	\$	1,958,366
Public Education- Paid Media		1,866,516		1,958,366		91,850		1,958,366
Public Education		726,056		924,250		198,194		

Calendar Year Budget Expenditure Cap A.R.S. § 16-949(A)	\$19,583,662
2,797,666 resident personal income tax returns filed in CY 2014 x \$7 (Dept of Revenue Nov 2014)	

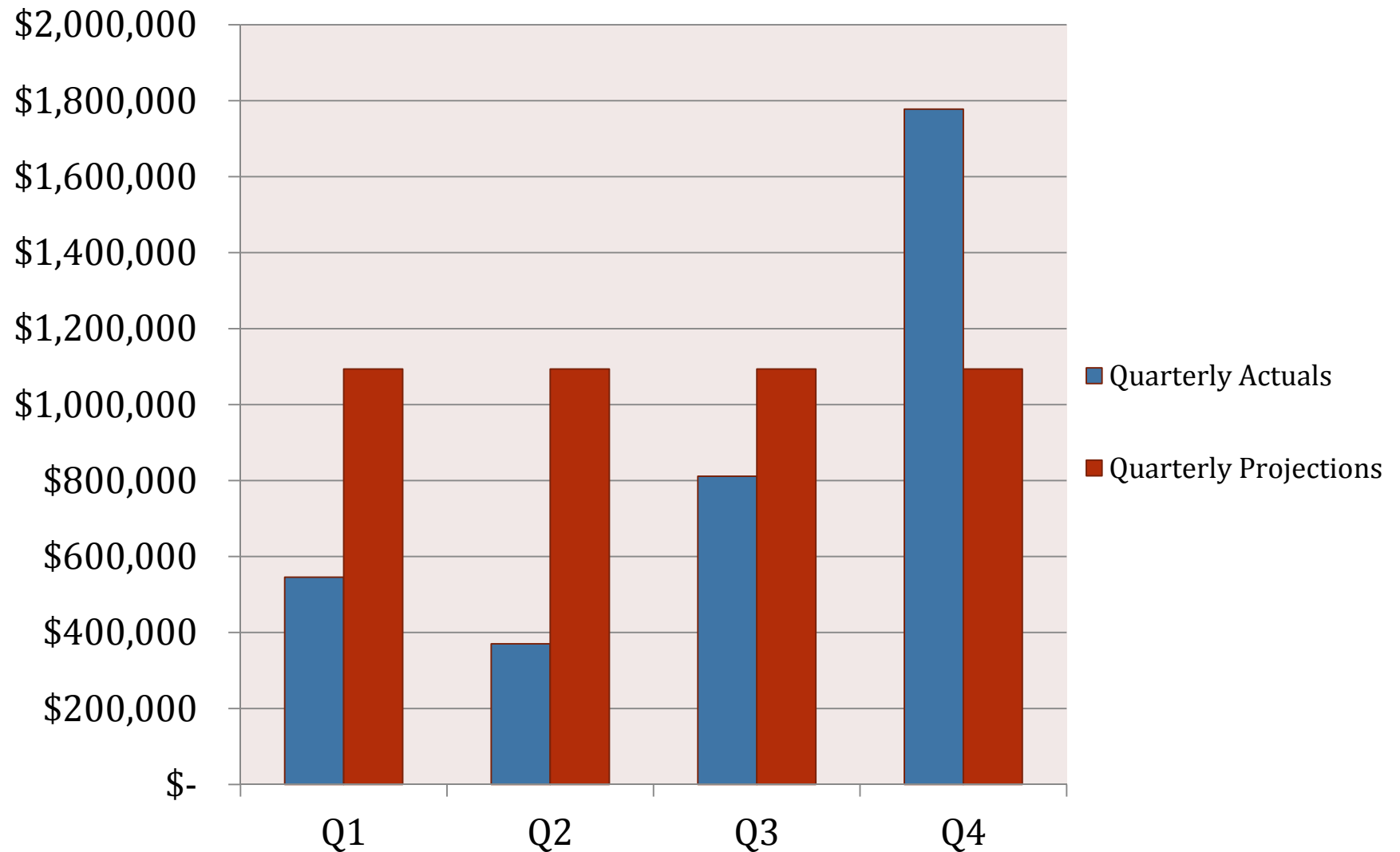
2015 Total Expenditure Cap Review

A.R.S. §16-949(A)

o The Commission did not exceed the total expenditure cap.



2015 Actual Expenditures vs. Quarterly Projections



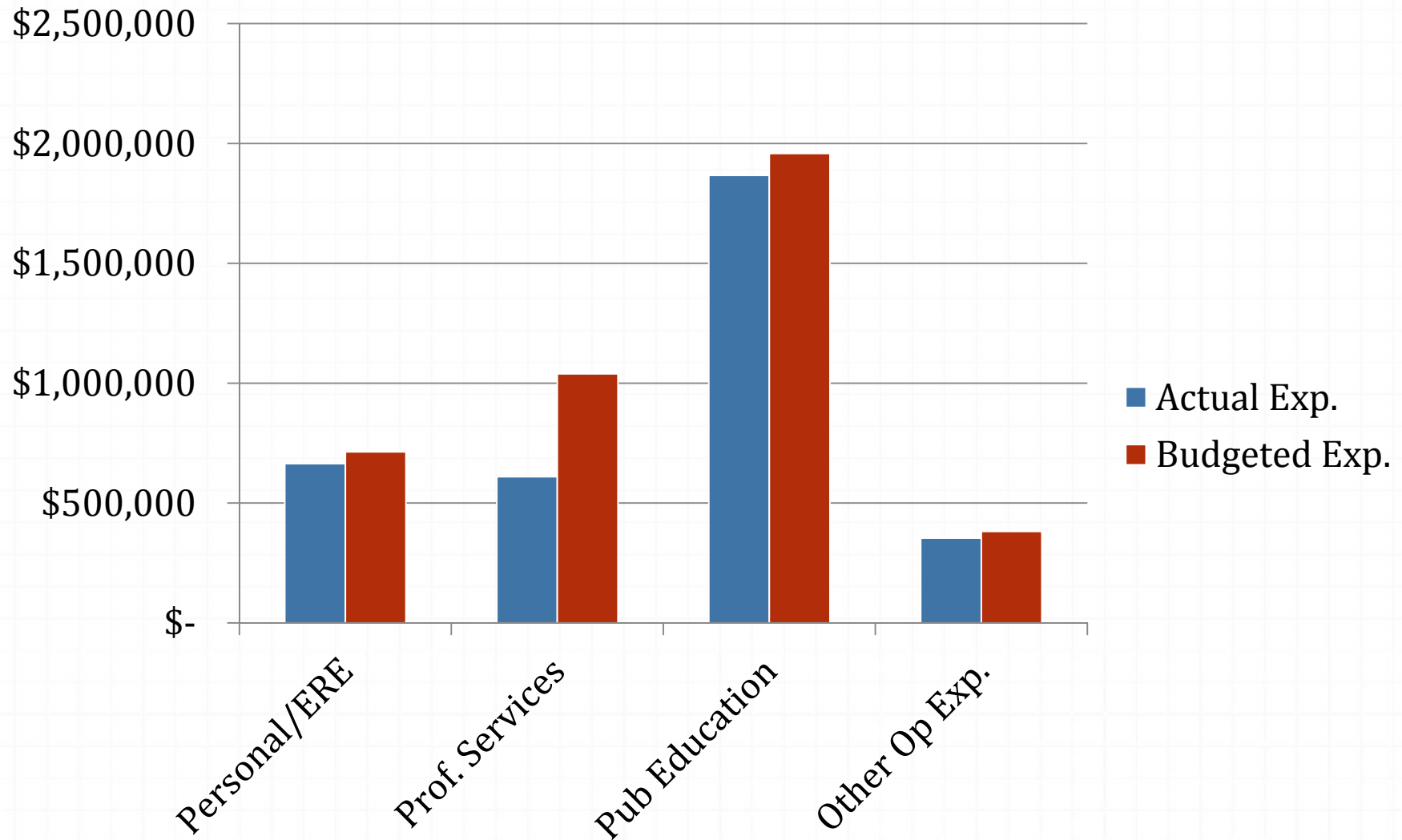
Citizens Clean Elections Commission
Administration Public Education Expenses
2015 Professional Outside Services

	Admin & Enforcement Actuals	Public Education Actuals	Combined Admin & Public Ed. Actuals	2015 Budgeted	Variance
<i>Expenses</i>					
Professional Outside Services					
Paid Media- Public Ed	\$ -	\$ 1,866,516	\$ 1,866,516	\$ 1,958,366	\$ 91,850
AG Legal Svcs	110,100	28,000	138,100	165,000	26,900
External Legal Svcs	201,618	-	201,618	500,000	298,382
Temp Agency Svcs	1,818	1,818	3,635	4,000	365
Other Prof. Svcs	198,689	67,552	266,241	370,000	103,759
<i>Total Expenses</i>	<u>\$ 512,225</u>	<u>\$ 1,963,886</u>	<u>\$ 2,476,111</u>	<u>\$ 2,997,366</u>	<u>\$ 521,255</u>

2015 Expenditure Review

Administration and Voter Education Combined

A.R.S. §16-949(A)



**Citizens Clean Elections Commission
2015 Admin Enforcement Expenses**

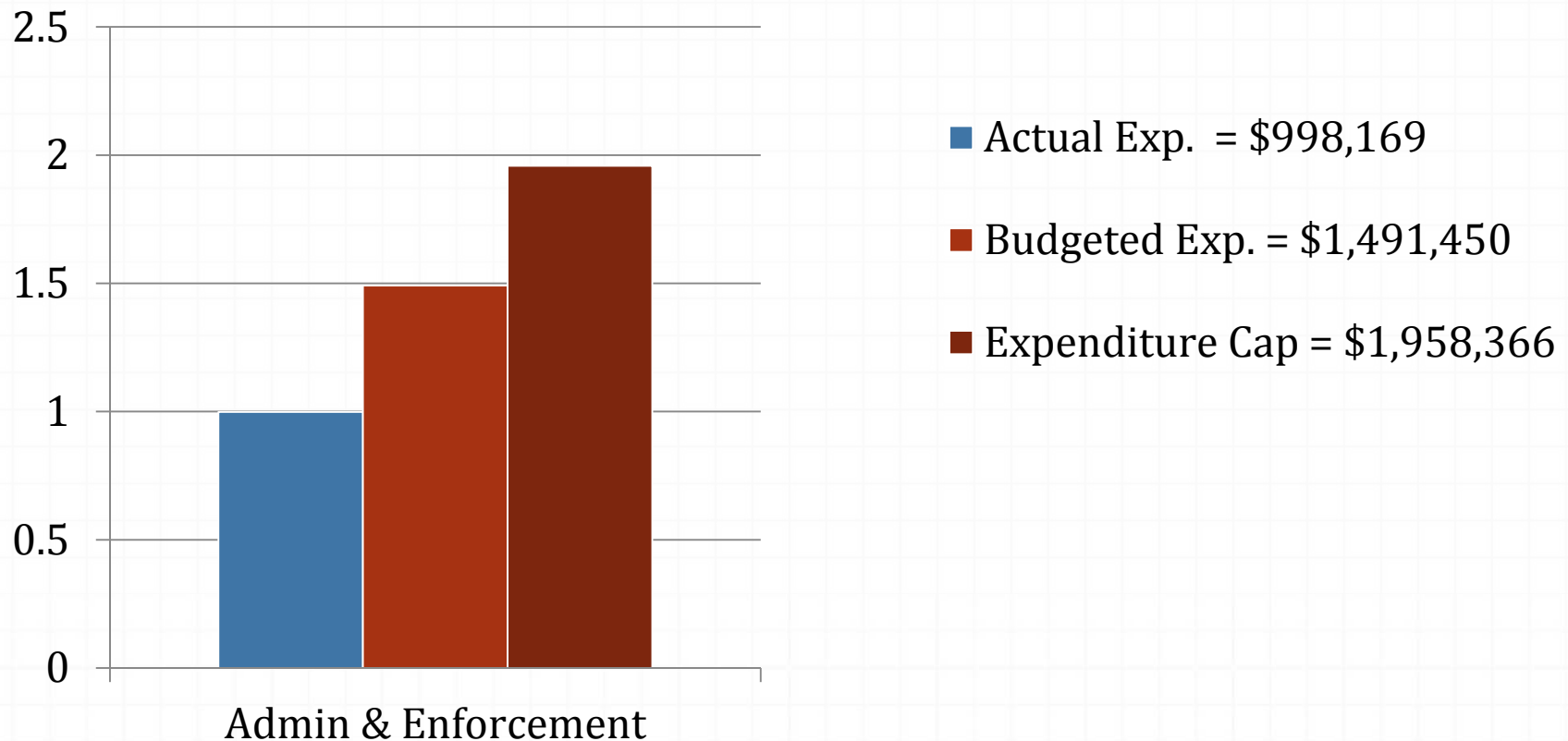
	2015 Actuals	2015 Projections
<i>Expenses</i>		
Personal Services	\$ 239,046	\$ 240,800
ERE	75,570	75,000
Professional & Outside Services		
Other External Financial Services	49,400	90,000
Attorney General Legal Services	110,100	82,500
External Legal Services	201,618	500,000
Temp Agency Services	1,818	2,000
Other Professional Outside Services	149,289	225,000
<i>Total Professional & Outside Services</i>	<u>512,225</u>	<u>899,500</u>
Travel-In State	3,226	5,250
Travel Out-of-State	283	2,500
Other Operating Expenditures		
Risk Management Charges	850	2,600
DOA Finance Division		1,800
Other External Data Processing*	56,279	125,000
Other External Telecom Service*	5,003	-
Rent Charges to State Agency	27,150	27,150
Rental of Other Machinery & Equip	395	
Miscellaneous Rent	808	200
Internal Acct/Budg/Financial Services	2,125	4,250
Repair & Maintenance - Other Equip*	1,514	-
Repair & Maintenance - Info Tech-PCLAN*	116	
Software Support and Maintenance	862	
Office Supplies	3,096	1,500
Other Operating Supplies	31	
Conference, Education & Training Reg.	309	2,500
Advertising	3,400	
External Printing	8,029	15,000
Postage & Delivery	425	2,000
Awards	113	300
Dues	525	600
Books Subscriptions & Publications	8,035	7,500
Other Miscellaneous Operating	25	-
<i>Total Other Operating Expenditures</i>	<u>115,142</u>	<u>190,400</u>
Aid to Individual/Organization	326	500
Capital Equipment	-	
Non-Capital Equipment	29,044	37,500
Transfers (other state agencies)	23,308	40,000
<i>Total Expenses</i>	<u>\$ 998,169</u>	<u>1,491,450</u>

* Items are budgeted under Other External Data Processing

2015 Administration & Enforcement Cap

A.R.S. §16-949(B)

o The Commission did not exceed 10% of the total expenditure cap for administration and enforcement expenditures. *



**Citizens Clean Elections Commission
2015 Public Education Expenses**

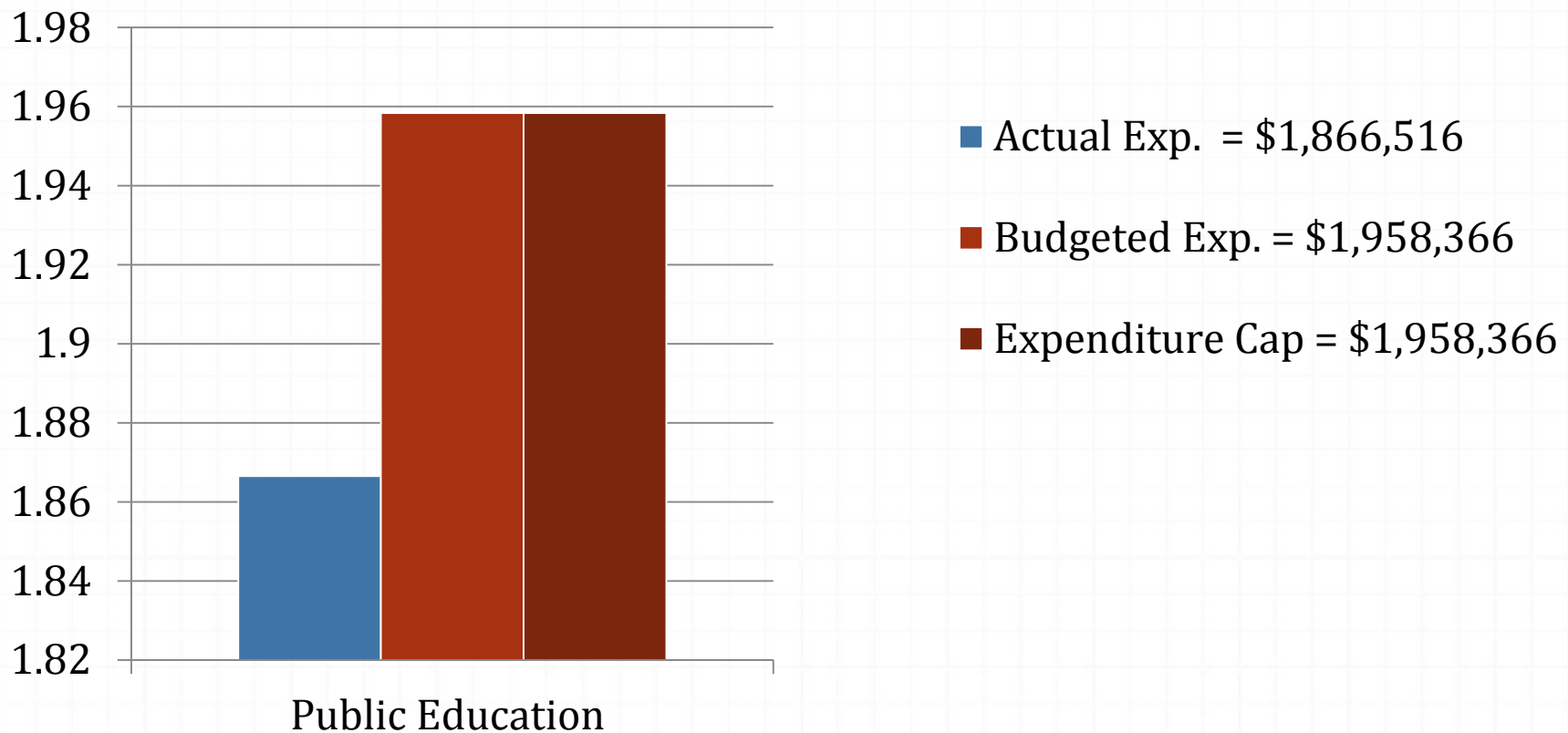
	2015 Actuals	2015 Projections
<i>Expenses</i>		
Personal Services	\$ 260,062	\$ 292,800
ERE	89,805	105,000
Professional & Outside Services		
Public Ed- Paid Media	1,866,516	1,958,366
Attorney General Legal Services	28,000	82,500
Temp Agency Services	1,818	2,000
Other Professional Outside Services	67,552	55,000
<i>Total Professional & Outside Services</i>	<u>1,963,886</u>	<u>2,097,866</u>
Travel-In State	1,969	7,250
Travel Out-of-State	1,228	2,500
Other Operating Expenditures		
Risk Management	850	
DOA Finance Division		1,800
Internal Service Data Processing*	196	
Other External Data Processing*	179,403	125,000
Other External Telecom Service	5,866	
Rent Charges to State Agency	27,150	27,150
Miscellaneous Rent	497	3,500
Internal Acct/Budg/Financial Services	6,076	4,250
Repair & Maintenance - Info Tech PCLAN*	116	
Repair & Maintenance - Other Equip*	1,473	
Software Support and Maintenance	862	
Office Supplies	2,967	3,000
Other Operating Supplies	681	500
Conference Education & Training Reg.	513	2,500
Advertising	-	6,500
External Printing	1,472	15,000
Postage & Delivery	-	2,000
Entertainment & Promo Items	8,979	
Books, Subscriptions & Publications	1,298	-
<i>Total Other Operating Expenditures</i>	<u>238,400</u>	<u>191,200</u>
Capital Equipment	-	
Non-Capital Equipment	30,500	37,500
Transfers (other state agencies)	6,722	148,500
<i>Total Expenses</i>	<u>\$ 2,592,572</u>	<u>2,882,616</u>

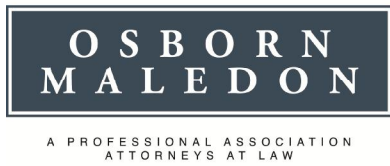
* Items are budgeted under Other External Data Processing

2015 Public Education Cap Review

A.R.S. §16-949(C)

- o The Commission did not exceed 10% of the total expenditure cap for public education purposes.





Mary R. O'Grady

mogrady@omlaw.com

2929 North Central Avenue
21st Floor
Phoenix, Arizona 85012

Direct Line 602.640.9352

Telephone 602.640.9000

Facsimile 602.640.9050
omlaw.com

March 22, 2016

Via E-mail

Chris Klemminich
Arizona Department of Administration
Governor's Regulatory Review Council
100 N. Fifteenth Ave., Suite 110
Phoenix, AZ 85007

Re: Clean Elections Commission Five-Year Review Report

Dear Chris:

Thanks for the prompt response regarding GRRC's actions on its Five-Year Review of the Commission's rules. Aside from the deadlines that were discussed in our previous correspondence, there are some additional issues that are important to resolve.

Regarding GRRC's decision to return "in whole" the Commission's five-year review report, there is a threshold problem that needs to be addressed by Council before the Commission submits a new report. Although the Council voted to return the report, it has not informed the Commission of "the manner in which its [five-year review] report is inadequate" as A.R.S. § 41-1056(C) requires. The minutes from the February 2, 2016 Council meeting describe the motion to return the report but show no Council action identifying why the report is inadequate. Council needs to provide that information to the Commission to fulfill its statutory responsibility.

Assuming Council provides the Commission with the information required by statute regarding the previous report's inadequacies in a timely manner, the May 31, 2016 that you referenced in your letters should work for the Commission. We will make every effort to meet that deadline, but first we need the information the statute requires Council to provide regarding the report's inadequacies.

There are also significant procedural problems with the Council's vote to "require the Commission to repeal R2-20-109(F)(2) – (F)(12) and (G)." Your letter is wrong when it says that the Council "voted to declare R2-20-109(F)(2)- (F)(12) and (G) materially flawed" at its February 2, 2016 meeting. No such action was taken at that meeting. The minutes reflect that the Council voted to require the Commission to repeal certain rules, but there was no motion made to determine that the rules were materially flawed.

Council may require an agency "to propose an amendment or repeal" a rule by a date certain only after it "determines the agency's analysis under Subsection A [of 41-1056] demonstrates that the rule is materially flawed." A.R.S. § 41-1056(E). Council did not make that determination and needs to do so before it can set a deadline for Commission action.

It is incorrect to say that the Council's failure to specify a date by which the aforementioned rules expire means that they "are set to expire on August 2, 2016," or six months after the Council's decision to require a repeal. A.R.S. § 41-1056(E) permits Council to require an agency to propose an amendment or repeal of a rule that has been determined to be materially flawed "by a date *no earlier than the six months after the date on which the council considers the report*" and determines that the rule is "materially flawed." The Council has not yet taken action to determine that these rules are materially flawed, so the minimum six-month timeline in statute has not started to run. Council cannot, as you propose, "affirm" the August 2 date at a future meeting. It must first make the determination that the rules are materially flawed and then set a deadline for the Commission to propose an amendment or repeal of the rules that is at least six months from the date of that determination.

Because Council's determination whether rules are materially flawed is based on the analysis in the Commission's report and the Commission is going to be submitting a revised report, it makes sense for Council to consider the analysis of that revised report before making its determination regarding whether the rules are materially flawed. When that revised report is submitted, Council can then consider whether, based on that analysis, R2-20-109(F)(2) – (F)(12) and (G) are "materially flawed."

Of course, as stated in previous correspondence, the Commission believes the Voter Protection Act precludes the Council from directing the amendment or repeal of Commission rules. The process described above is addressed because we recognize that Council disagrees with that position.

We invite you to discuss these issues with the Council and look forward to your response.

Sincerely,

A handwritten signature in blue ink that reads "Mary O'Grady". The signature is written in a cursive, flowing style.

Mary R. O'Grady

Doug A. Ducey
Governor

Thomas M. Collins
Executive Director



Mitchell C. Laird
Chair

Thomas J. Koester
Steve M. Titla
Damien R. Meyer
Mark Kimble
Commissioners

State of Arizona
Citizens Clean Elections Commission

1616 W. Adams - Suite 110 - Phoenix, Arizona 85007 - Tel (602) 364-3477 - Fax (602) 364-3487 - www.azcleanelections.gov

Below are proposed election bills that may have an impact upon the Commission.

HCR 2013 –Clean Elections Act; Repeal

Sponsor – Rep. Ugenti-Rita (bill has been assigned to House Elections)

****The bill was held in House Elections.****

- The bill would place on the November 2016 ballot the question of whether or not to repeal the Clean Elections Act.
- Effect on CCEC – Would eliminate the Clean Elections Act.

HB 2121 –Clean Elections; Voter Education

****This bill has been amended and is no longer a Clean Elections bill.****

Sponsor – Rep. Petersen (bill has been assigned to House Elections, and Rules)

- Passed House Elections 6-0, passed House Rules 7-0, passed the House 56-0 and was sent to the Senate. Assigned to Senate Government.
- The bill does the following:
 - o Allows the Commission to spend voter education funds on publishing candidate statements for federal and county candidates along with the state candidates.
 - o Allows the Commission to use voter education funds to educate voters on judges regarding judicial retention elections.
 - o Allows the Commission to use voter education funds to educate voters on statewide ballot measures.
- Effect on CCEC – Would be a positive for the Commission. Would help the voters become more informed.

HB 2039 – Election of Judges; Terms; Salary

Sponsor – Reps. Finchem, Cobb, Lawrence, Senator Burges (bill assigned to House Judiciary and Rules)

- The bill would change how and when judges are elected. It would require judges to be elected in non-presidential election years. It would also change judges' salaries to match what state legislators receive.
- Effect on CCEC – No effect on the Commission. The bill may open the door for allowing judges to use Clean Elections to fund campaigns.

HB 2049 – Municipal, Precinct Office; Online Signatures

Sponsor – Rep. Stevens (bill has been assigned to House Elections, and Rules)

- Passed House Elections 6-0, Passed Rules 7-0, Passed the House 56-0 and was sent to the Senate. Passed Senate Government 7-0, passed the Senate 29-0 and was sent back to the House as it was amended.
- This bill would create an E-Qual system for candidates for city and town offices as well as candidates for precinct committeeman. The system would allow the candidates to collect nomination petition signatures online.
- Effect on CCEC – It would have no effect on the Commission.

HB 2015 – Publicity Pamphlet; Counties; Municipalities

Sponsor – Rep. Stevens (bill has been assigned to House Judiciary and Rules)

- Passed House Rules 7-0, passed House Judiciary 5-0, passed the House 58-0 and was sent to the Senate. Assigned to Senate Government. Passed Senate Government 7-0. Passed the Senate 30-0 and was signed by the Governor.
- This bill would not allow early ballots to be mailed until at least one day after the publicity pamphlet has been mailed. It would provide for a fine for the contractor that has delayed the mailing of the pamphlet. The fine is \$1 for every household with a registered voter for each day late. The fine would go to the office of the officer in charge of elections. The bill affects cities and towns only.
- Effect on CCEC – It would have no effect on the Commission.

HB 2014 – Electronic Documents; State Agencies

Sponsor – Rep. Stevens (bill has been assigned to House Government and Higher Education, and Rules)

- Passed House Government and Higher Ed. 8-0, passed House Rules

8-0, passed out of the House 39-18 and was sent to the Senate. Assigned to Senate Government.

- This bill would require state agencies to allow for all documents from the public (reports, audits, applications, complaints etc.) to be submitted to the agency electronically. It would be effective June 30, 2018.
- Effect on CCEC – It would the Commission to develop a way to receive complaints via the Commission’s website including allowing for sensitive data to be secure.

HCR 2035 – Clean Elections; Lobbying; Rulemaking

Sponsor – Rep. Petersen (bill has been assigned to Government and Higher Education, and Rules)

- Passed House Government and Higher Education 5-3. Passed the House 35-23 and was sent to the Senate. Passed Senate Government 4-3.
- The bill was amended and removed the lobbying prohibition. It would still ask the voters to remove the rule making exemption that currently exists for the Commission.
- Effect on CCEC – It would open up major issues with the removal of the rule making exemption.

HCR 2023 – Proposition 105; Legislative Authority

Sponsor – Reps. Thorpe, Barton, Boyer, Cobb, Finchem, Mesnard (bill has been assigned to House Government and Higher Education, and Rules)

- Passed House Government and Higher Education 4-3, passed House Rules 7-0. Passed the House 32-25 and was sent to the Senate. Passed Senate Government 4-3.
- This bill would ask the voters to allow the House and Senate to make changes to issues protected by “prop 105” with a 3/5s vote.
- Effect on CCEC – It would open the door for the Legislature to make changes to the Clean Elections Act.

HB 2017 – Signs; Early Voting; Removal

Sponsor – Rep. Stevens (bill has been assigned to House Elections, and Rules)

- Passed House Elections 5-0, passed rules 7-0, passed the House 59-0 and sent to the Senate. Assigned to Senate Government. Passed Senate Government 7-0.

- This bill would change the date that a political signed could be taken down and removed from 45-days prior to the primary election to 86-days prior to the primary election.
- Effect on CCEC – It would have no effect on the Commission.

HB 2083 – Multiple Committees; Exploratory Committees; Repeal

Sponsor – Rep. Stevens (bill has been assigned to House Elections, and Rules)

- Passed House Elections 6-0, passed Rules 7-0, passed the House 37-23(it did not receive the $\frac{3}{4}$ vote to amend the Clean Elections Act) and has been transmitted to the Senate. Passed Senate Government 4-2.
- This bill would eliminate exploratory committees. In addition, the bill would allow candidates to have multiple campaign committees for any election cycle including committees for multiple offices.
- Effect on CCEC – It contradicts the Clean Elections Act as the Act allows for only one campaign account while the proposed law would allow for more accounts. It will make following candidate committees more difficult if a single candidate has multiple committees, potentially reducing transparency.

HB 2023 – Delivery; Early Ballots; Limitations

Sponsor – Rep. Ugenti-Rita (bill has been assigned to House Elections, and Rules)

- Passed House Elections 4-2, passed Rules 5-3, passed out of the House 34-23 and was sent to the Senate. Assigned to Senate Government. Passed Senate Government 4-3. Passed the Senate 17-12 and was signed by the Governor.
- This bill would make it a class 6 felony for a person who knowingly collects voted or unvoted ballots from another person.
- Effect on CCEC – It would have no effect on the Commission.

HB 2517 – Business; Professions; Regulation Restrictions

Sponsor – Reps. Petersen, Borrelli, Boyer, Carter, Fann, Gowan, Kern, Leach, Mitchell, Montenegro, Olson, J. Allen, Barton, Bowers, Brophy-McGee, Campbell, Cobb, Finchem, Lawrence, Livingston, mesnard, Rivero, Thorpe, Townsend, Sens. Dial, Barto, Biggs, Burges, Kavanagh, Lesko, Shooter, Yee (bill has been assigned to House Commerce, and Rules)

- Passed House Commerce 5-3, passed Rules 7-0, passed the House 33-24 and was sent to the Senate. Passed Senate Government 4-3.

- This bill would require municipalities, counties, and agencies to limit regulations and restrictions that apply to businesses and professions as necessary to ensure the public health, safety, and welfare. Agencies would need to review all regulations within one year of the bill going into effect. It would also require agencies to provide a report to the State Legislature regarding their compliance with the law after enacting new regulations. Allows for any person to petition the agency to repeal or modify restrictions or regulations. The agency has 90-days to modify the regulation or explain why it complies with the statute.
- Effect on CCEC – It would make it difficult for the Commission to pass any new rules. It would also open the Commission up to being asked to modify, repeal, or explain to the Legislature why the rule complies with the law and would allow anyone who disagrees with the Commission to ask that any rule be modified.

SCR 1015 – Clean Elections; Superior Court Judges

Sponsor – Sen. Dial (bill has been assigned Senate Government, and Judiciary)

- This bill would change the definition of participating candidate to a candidate for Superior Court in counties with a population of less than 250,000.
- Effect on CCEC – It would eliminate legislative and statewide candidates from using the Clean Elections system.

SCR 1016 – Surcharges; Clean Elections; Education Funding

Sponsor – Sen. Dial (bill has been assigned to Senate Government, and Education)

The bill was held at the request of the sponsor.

- This bill would redirect the Clean Elections surcharge from the Clean Elections fund to the Classroom Site fund.
- Effect on CCEC – It would essentially end the Clean Elections program as there would not be any money in the Clean Elections fund.

SB 1516 – Campaign Finance Amendments

Sponsor – Sen. Driggs (bill has been assigned to Senate Government, and Judiciary, and Rules)

- Passed Senate Government 4-3 and Judiciary 4-3. Passed the Senate 18-10 and was transmitted to the House. Passed House Elections 4-2 and Rules 6-2. Passed the House 31-27 and was sent to the Senate to be transmitted to the Governor.
- This bill would repeal and rewrite all of the election statutes in Article 1.
- Effect on CCEC – It could affect how the Commission handles independent expenditures, traditional candidates, the filing of reports, as well as a myriad of other issues.

HB 2428 – Publicity Pamphlets; Arguments; Electronic Submittal

Sponsor – Rep. Stevens (bill has been assigned to House Government and Higher Education, and Rules)

- Passed House Government and Higher Education 5-1-1, passed Rules 7-0. Passed the House 53-4 and was sent to the Senate. Passed Senate Government 6-0, passed the Senate 29-0.
- This bill would direct the Secretary of State to accept arguments for or against ballot issues electronically. Also would require the Secretary of State to accept payments electronically.
- Effect on CCEC – It would have no effect on the Commission.

HB 2296 – Charitable Organizations; Campaign Finance Disclosure

Sponsor – Rep. Mesnard, Leach (bill has been assigned to House Elections, and Rules)

- Passed House Elections 4-1, passed House Rules 7-0, passed the House 36-24 and was sent to the Senate. Passed Senate Government 4-3.
- This bill would prohibit any agency from requiring an entity with a charitable tax exemption and that does not spend a substantial amount of time or assets on influencing an election from being required to file reports or register as a political committee.
- Effect on CCEC – It would have a minimal effect on the Commission, as the Commission does not require entities that are not influencing elections to file reports or register as a political committee.

HB 2297 – Political Advertisements; Contributors; Disclosure

Sponsor – Rep. Mesnard (bill has been assigned to House Elections, and Rules)

- Passed House Elections 4-2, passed House Rules 7-0, passed the House 35-23 and was sent to the Senate. Passed Senate Government 4-3.
- This bill would require political committees that make independent expenditures to include the names and telephone numbers of up to three of the political committees that made the largest contributions that in the aggregate for that committee total 20% or more of the total amount of contributions.
- Effect on CCEC – It may generate more complaints regarding disclosure, in addition to requiring additional scrutiny of expenditures.

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Mitchell C. Laird
Chair

Steve M. Titla
Damien R. Meyer
Mark S. Kimble
Galen D. Paton
Commissioners

State of Arizona
Citizens Clean Elections Commission

**1616 W. Adams - Suite 110 - Phoenix, Arizona 85007 - Tel (602) 364-3477 -
Fax (602) 364-3487 - www.azcleanelections.gov**

March 24, 2016

Speaker David Gowan
Arizona State House of Representatives
1700 W. Washington
Phoenix, Arizona 85007

Dear Speaker Gowan:

We urge you and your colleagues to oppose Senate Bill 1516 in its current form. Although this bill has many meritorious ambitions, it is irreconcilable with the voter-passed Arizona Citizens Clean Elections Act (the "Act") and raises constitutional issues that will end up in court and confuse voters, candidates and others regulated by the Act. Senate Bill 1516:

- Conflicts with the contribution limits provided for in the Act (A.R.S. § 16-941(B)) that apply to participating and non-participating candidates. For example, the proposal allows candidates who receive excessive contributions to freely reattribute those contributions to individuals and committees who may not be the source of the contribution.¹
- Delegates enforcement of key provisions of the Act to the Internal Revenue Service and the Arizona Corporation Commission.
- Purports to bar government officials from taking action without a finding by the Secretary of State. To the extent this intended to reach Article 2 of Chapter 6 and foreclose independent action by the Commission, it is a clear violation of the Voter Protection Act.
- Changes the voter-approved formula for increasing contribution limits by inflation to a flat \$100.

¹ Despite the apparent absence of a provision limiting contributions from trusts in SB1516, A.R.S. 16-941 would still prohibit such contributions.

As you know, the Voter Protection Act applies to the Act and thus any action that would amend or supersede the Act must receive a three-fourths vote of each house and further the Act's purpose.

Furthermore, amending the general campaign finance laws while leaving the literal text of the Act untouched for failure to receive a three-fourths vote will create two separate campaign finance systems that apply to both participating and nonparticipating candidates.

Senate Bill 1516 can easily be amended as part of a broader effort to resolve outstanding issues regarding the Act and to improve the campaign finance system. We urge Senator Driggs, Secretary of State Reagan and other stakeholders to work with the Commission on amendments to SB 1516, which will address and resolve its constitutional deficiencies.

The Commission remains committed to resolving its concerns at the Arizona Legislature and is making every effort to avoid having these issues decided by the courts. However, until SB 1516 is amended to reflect an approach consistent with the Clean Elections Act, we urge you to vote no to avoid the legal and practical confusion that will ensue.

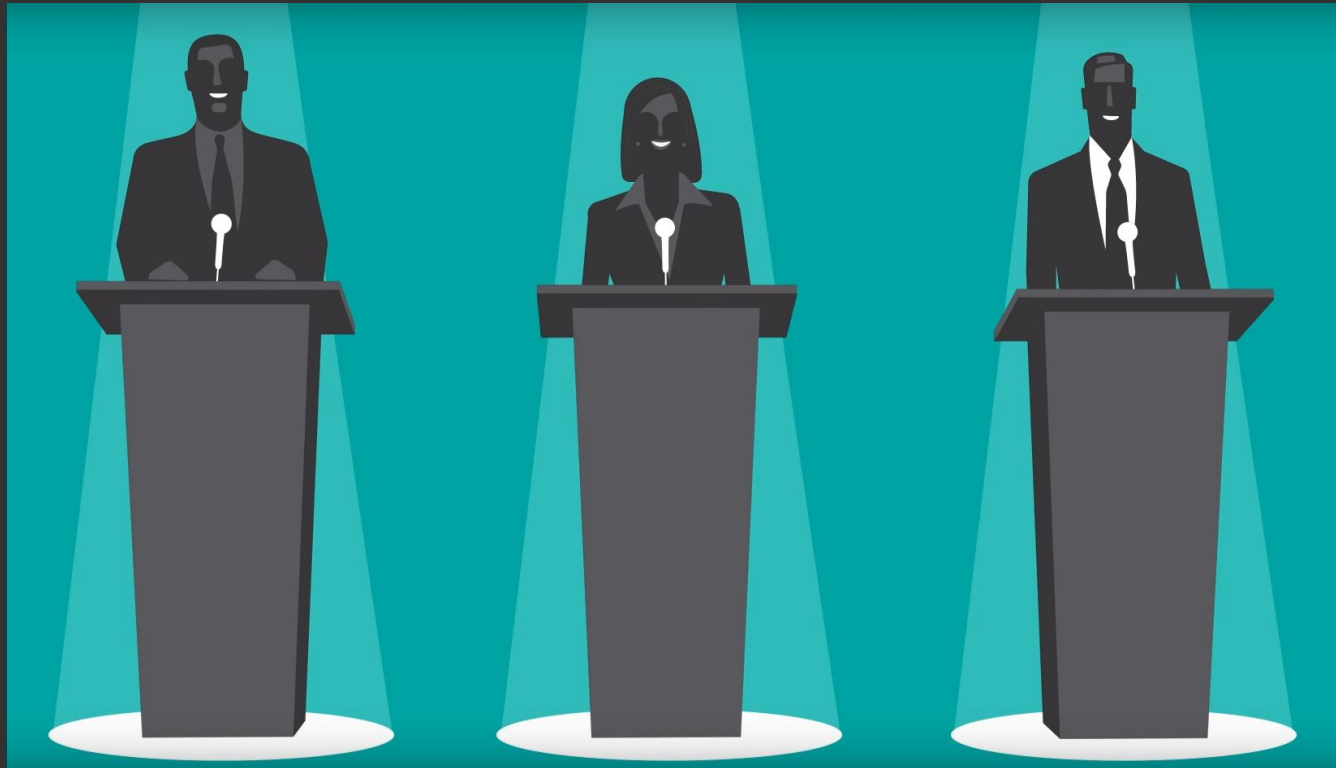
Sincerely,



Mitchell C. Laird
Chair



Thomas M. Collins
Executive Director



Presidential Preference Election

March 22, 2016



Political Parties

Statewide Recognized Parties:

Democratic

Green

Libertarian

Republican

Participating in the PPE:

Democratic → 48.73%*

Green → 19.55%*

Republican → 54.94%*

Turnout → 52% *

*Unofficial numbers

Who Can Vote?

1. Only voters registered with a participating political party can vote in the PPE.
2. The Presidential Preference Election is not a primary
3. Independent (PND) voters are NOT eligible to vote in the PPE.

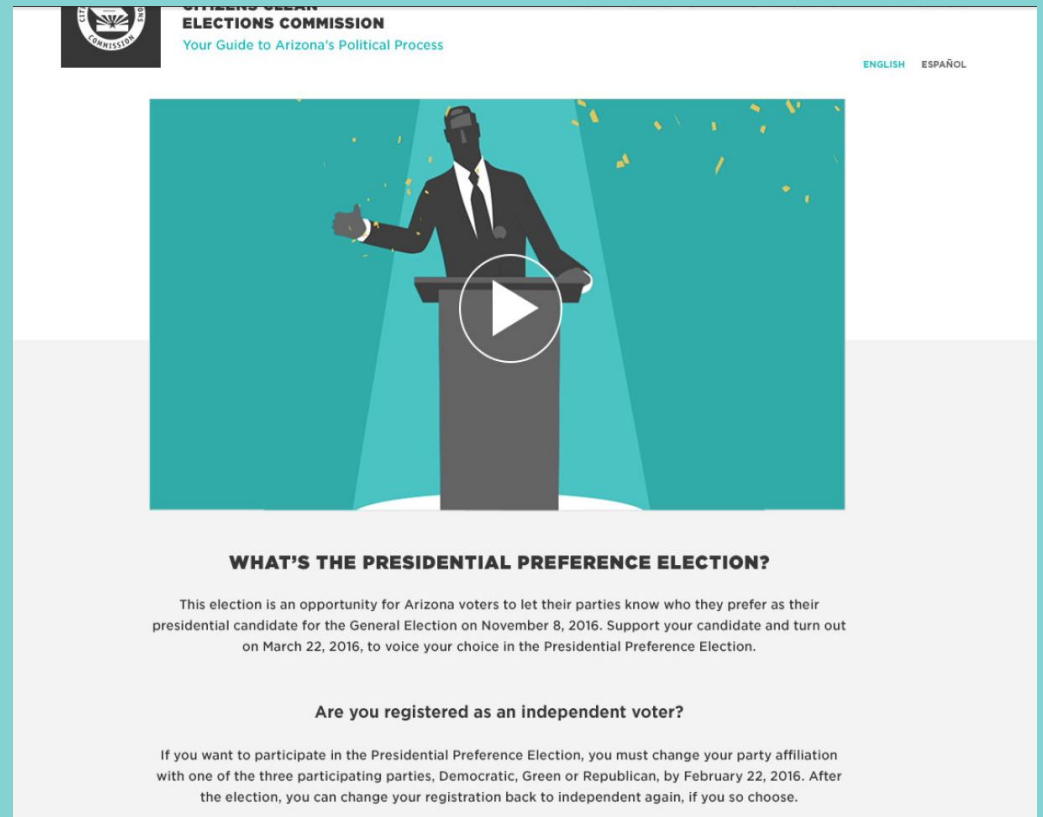
Messaging

- Register to Vote
- Independent Voters
- Early Voting
- General PPE

Voter Education Materials

Dedicated PPE Webpage azcleanelections.gov/PPE

- PPE Overview Video
- Special Messaging for Independent Voters
- Register to Vote Link
- Request an Early Ballot Link
- Frequently Asked Questions
- Key Dates



Voter Education Materials

Digital Marketing

- :15 Pre-Roll Video
- Banner Ads
- Search Engine Marketing
- Social Media Deadline Driven Content
 - Register to Vote Deadline
 - How to Vote Early
 - Independent Voter Special Instructions
 - Infographics

Voter Education Materials

Traditional Marketing

- Statewide Traffic Radio
- :30 Radio Reads
- English, Navajo and Spanish

Social Videos

Register to Vote



Early Voting



A sun behind a hill...



it's not the sun but a bird.



The bird takes flight with an Arizona shaped ballot.

PPE



Brain.



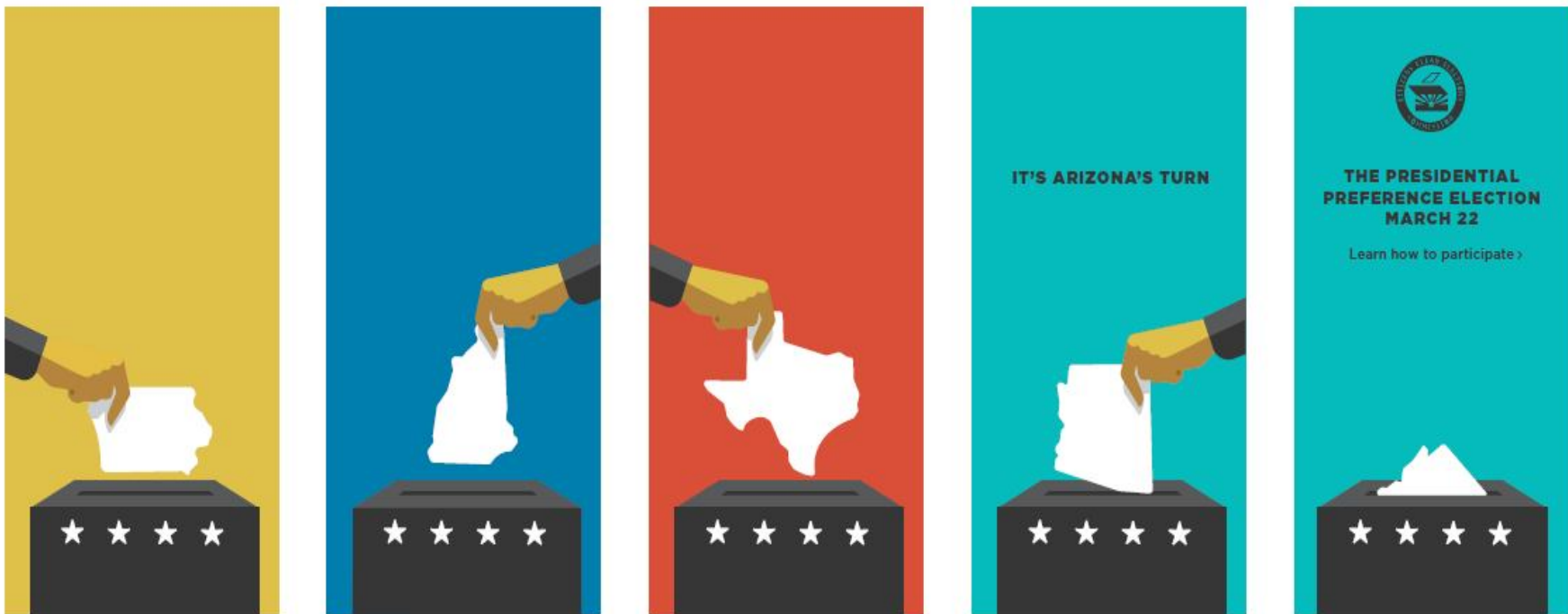
Hand grabs the brain and drops it into ballot box.



Brain drops in ballot box to reveal text.

Banner Ads & Pre-Roll

Online Banner Ads & Pre-Roll Video - English



HOW THE PRESIDENTIAL PREFERENCE ELECTION WORKS



DEMOCRATIC

GREEN

REPUBLICAN

Register with a participating party by February 22, 2016



Delegates travel to their party's national convention and cast their vote for which presidential candidate will appear on the General Election ballot



Voters will voice their choice and elect the 45th President of the United States



**IT'S ARIZONA'S OPPORTUNITY
TO VOTE AND LET THEIR PARTIES
KNOW WHO THEY PREFER AS THEIR
PRESIDENTIAL CANDIDATE**



azcleelections.gov/PPE



HOW TO PARTICIPATE IN THE PRESIDENTIAL PREFERENCE ELECTION



azcleanelections.gov/PPE

1

REGISTER WITH A PARTICIPATING PARTY BY FEBRUARY 22

⚠ Independents must re-register with one of these three parties



★ **DEMOCRATIC**



★ **GREEN**



★ **REPUBLICAN**

Registration requirements:



BE A UNITED STATES CITIZEN



BE AN ARIZONA RESIDENT



BE 18 YEARS OF AGE



BE ABLE TO WRITE YOUR NAME

Unless prevented by a disability

2

OBTAIN A BALLOT

BY MAIL

Request a ballot now.
Vote early starting
February 24, 2016.



AT THE POLLS

Bring your I.D. to the
polls on election day
between 6am-7pm on
March 22, 2016.



Campaign Performance

Digital Display Ads

Impressions

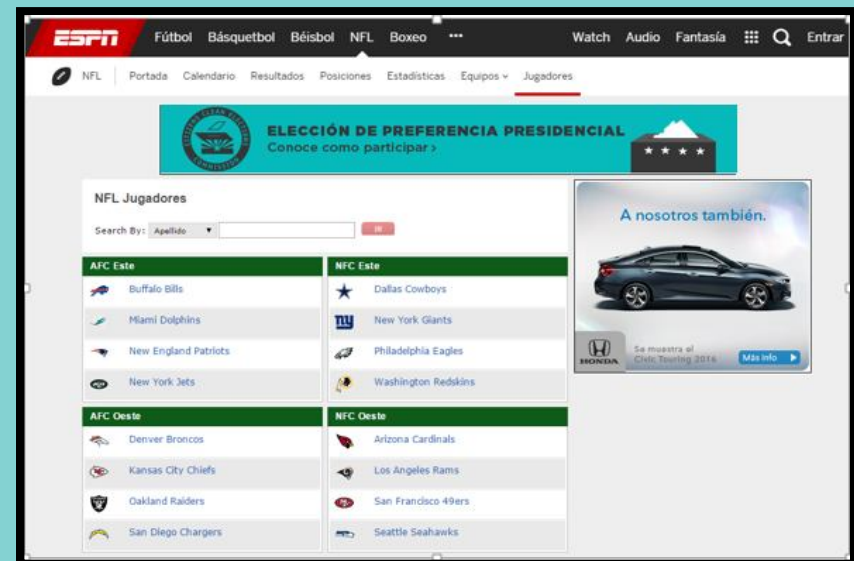
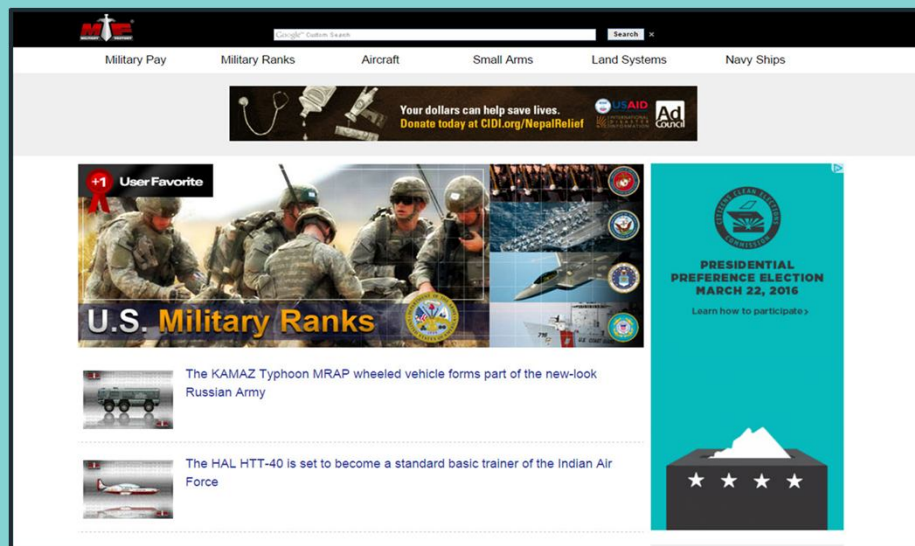
8,952,766

Clicks

39,070

CTR

0.44%



Campaign Performance

SEM Ad Performance

Impressions	Clicks	CTR	Avg. CPC	Avg. Position
185,445	9,647	5.20%	\$0.73	1.4

Google search results for "presidential preference election". The search bar shows the query and a microphone icon. Below the search bar are tabs for All, News, Videos, Images, Shopping, and More. The results show "About 881,000 results (0.42 seconds)". The top result is an advertisement titled "Presidential Preference - Vote for preferred party candidate" from www.azcanelections.gov/PPE, with the text "Voice your choice on March 22". Below the ad is a link to "2016 Election Information | Arizona Secretary of State" from www.azsos.gov/elections/voting-election/election-information, with a snippet mentioning "Ken Bennett" and "Qualified Candidates for the Arizona Presidential Preference Election: Republican Party Candidates."

Google search results for "early ballot". The search bar shows the query and a microphone icon. Below the search bar are tabs for All, News, Images, Shopping, Videos, and More. The results show "About 2,970,000 results (0.44 seconds)". The top result is an advertisement titled "How to Vote Early - Presidential Preference Election" from www.azcanelections.gov/PPE, with the text "Request an early ballot today." Below the ad is a link to "Early Voting Ballot Request" from https://recorder.maricopa.gov/earlyvotingball..., with a snippet mentioning "Maricopa County, Arizona" and "To request an early ballot for upcoming elections, please complete the form below. A ballot will be mailed to you upon verification of registration. If the following ..."

Campaign Performance

	Facebook	Instagram	Total
Impressions	1,546,124	570,924	1,810,811
Clicks	264,687	64,943	329,630

Best Performing
Ad: 73,505 clicks

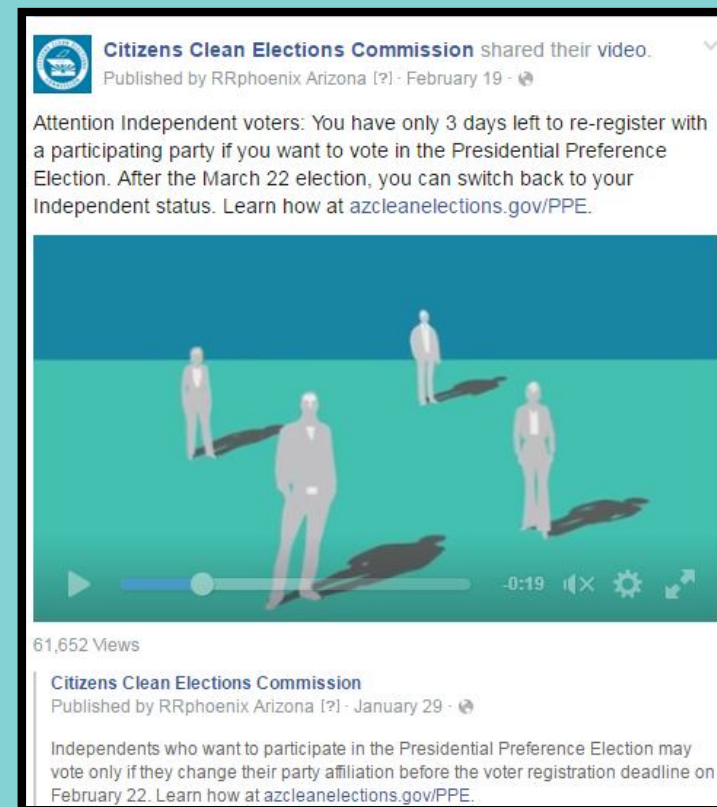
Super Tuesday is yesterday's news. It's Arizona's turn. Vote for your preferred presidential candidate in the Presidential Preference Election on March 22. Learn how at azcleaselections.gov/PPE.



Campaign Performance

Facebook Promotion – Independent Voter

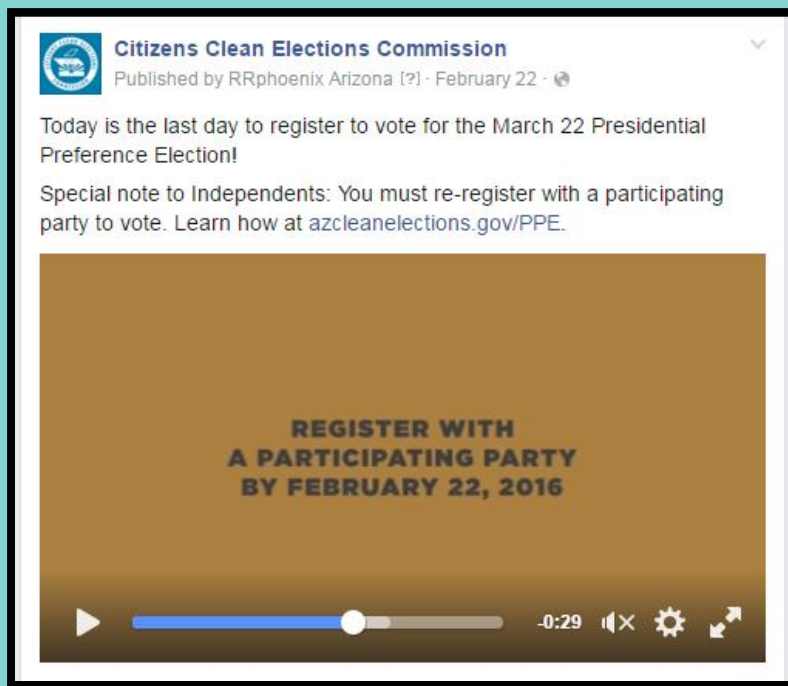
Engagement (Likes, Shares, Comments)	Impressions	Cost/Click
63,675	387,581	\$0.10



Campaign Performance

Facebook Promotion – Register to Vote

Engagement (Likes, Shares, Comments)	Impressions	Cost/Click
29,760	82,032	\$0.02



Campaign Performance

Facebook Promotion – Early Voting

Engagement (Likes, Shares, Comments)	Impressions	Cost/Click
52,640	228,599	\$0.07



Campaign Performance

Facebook Promotion – PPE

Engagement (Likes, Shares, Comments)	Impressions	Cost/Click
107,973	604,799	\$0.06



Campaign Performance

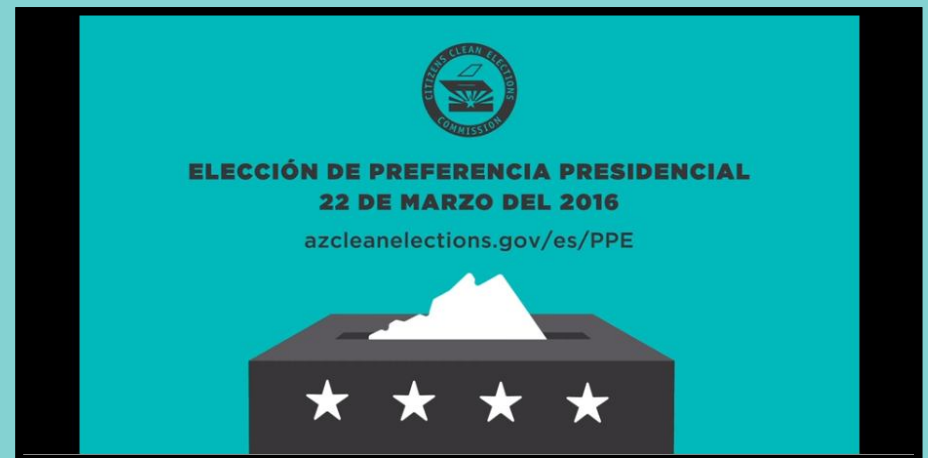
YouTube

English

Views by Device				
Device	Impressions	Views	View Rate	Avg. Cost/View
TOTAL	519,363	117,544	22.63%	\$0.08

Spanish

Views by Device				
Device	Impressions	Views	View Rate	Avg. Cost/View
TOTAL	143,395	36,557	25.49%	\$0.07



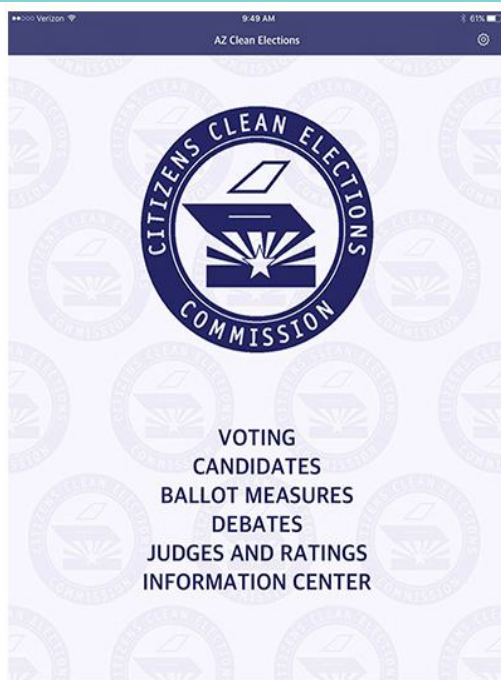
PR/Grassroots Outreach

- County Recorder Conference Call
- Maricopa County Community Network Meeting Presentation
- City Clerk's Meeting
- Distribution of voter education materials
 - Government run TV
 - Web site hosting of videos & links
 - Infographics
- Guest Column
- Interviews

Application Development

iOS available in iTunes (Android forthcoming)

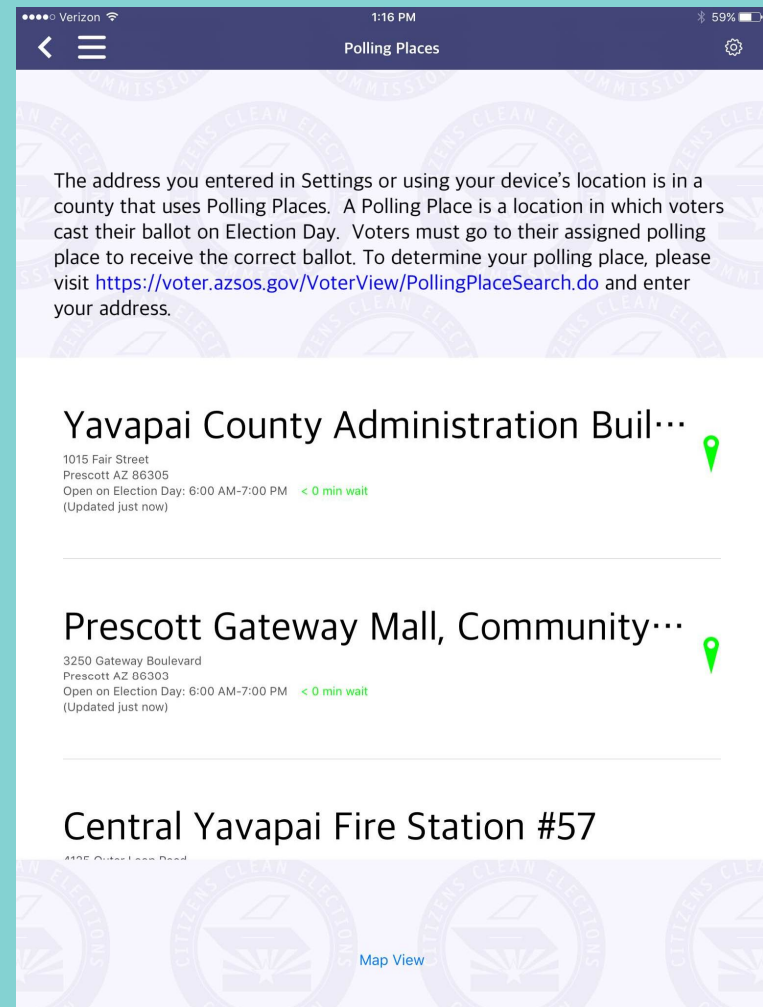
Piloted the wait time feature with Yavapai County



AZ CLEAN ELECTIONS APP

Download the Clean Elections App to find information on Arizona elections, including where to vote, candidate statements and contact information, debate schedules and more.

DOWNLOAD THE IOS APP



4 Statewide Elections

- March 22, 2016 Presidential Preference Election
- May 17, 2016 Special Election
- August 30, 2016 Primary Election
- November 8, 2016 General Election

Tools for Voters

- Smart Phone App
- Online Voter Tool
- Debates
- Candidate Statement Pamphlet
- Citizens Initiative Review
- Find My Elected Officials
- Website
- Media